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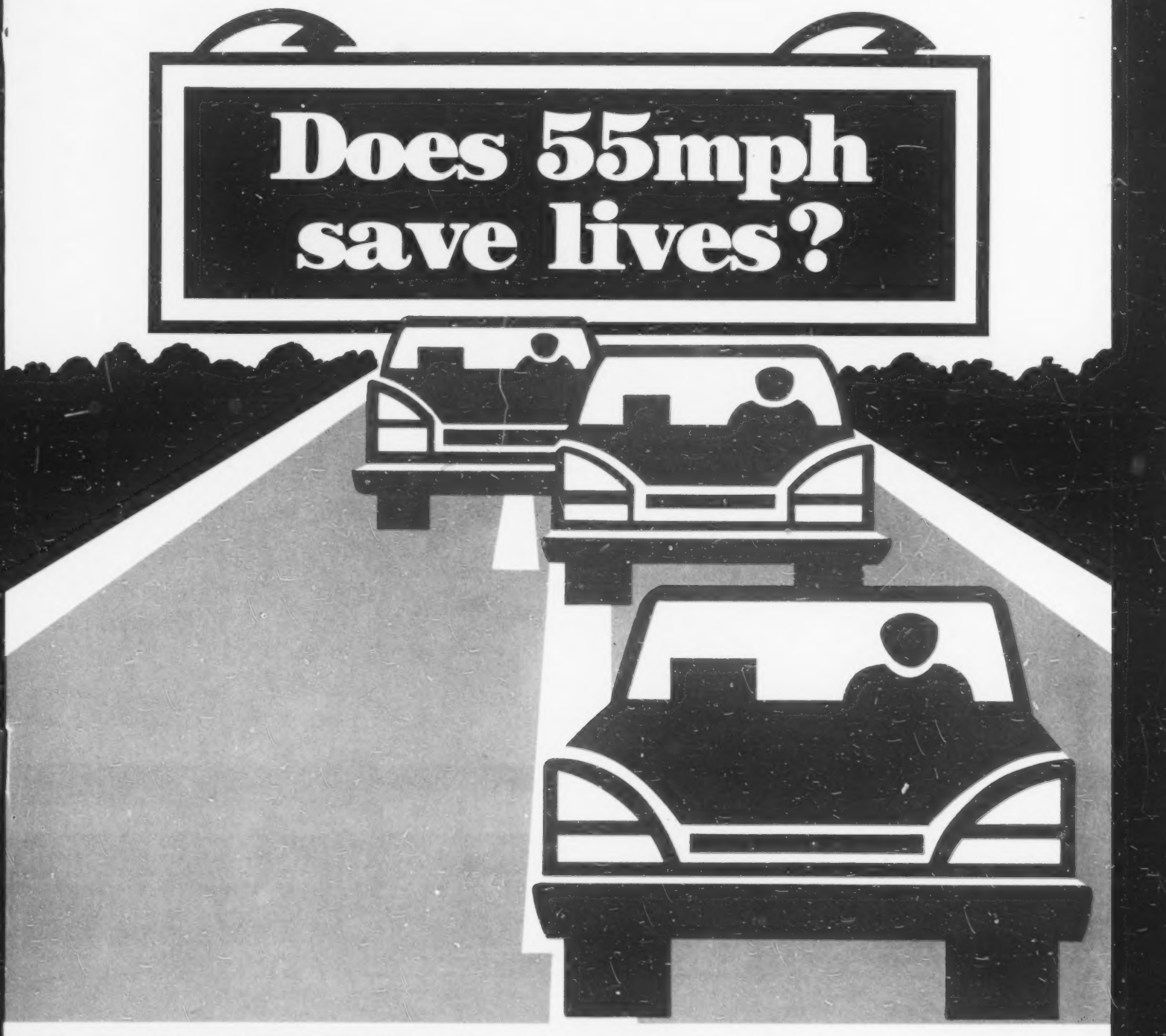
The Magazine for Fleet Administrators
November 1985



NAFA'S SAFETY ISSUE/ SAFETY SURVEY RESULTS

pg. 16

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NAFA Bulletin

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Cover design by: Cindi Samol

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Does 55

Eleven years after the 55 miles per hour speed limit became law, controversy still exists as to whether 55 saves enough lives, fuel, and money to justify continuing it.

Proponents cite an annual savings of two to four thousand lives and $2 billion worth of fuel attributable to 55 as reasons for keeping it. Critics cite the disadvantages of additional driving time and widespread public disregard for 55 as reasons for abolishing it.

The question still remains: Should we keep 55? The Highway Users Federation examined this question. Here's what they had to say.

At the request of Congress, the Transportation Research Board (TRB) of the National Academy of Sciences completed a year-long study of the effects of the 55 mph speed limit in November, 1984. The study report, "55: A Decade of Experience," recommended that the speed limit be retained on most highways now posted at 55.

The wrenching effects of the 1973-74 Arab oil embargo led to the imposition of the 55 mph speed limit in March 1974 as part of the Emergency Energy Conservation Act. The TRB study shows that it has and continues to save motor fuel.

A passenger car traveling at 70 mph uses 14 to 31 percent more fuel than one traveling at 55. If the cars on the road in 1983 traveled at speeds prevailing before 55 was imposed — an average of 65 mph — they would have used 110,000 more barrels of fuel per day, according to the TRB.

The fuel savings attributable to the 55 mph speed limit amount to a market value of about $2 billion a year, which "represents a substantial reduction in the balance of payments deficit," the TRB study says. "Should another fuel crisis occur, the energy savings attributable to the 55 mph speed limit could be important."

However, the major benefit of the 55 mph speed limit law was the remarkable reduction in traffic fatalities. The TRB estimates that 3,000 to 5,000 lives a year were saved in the early years of the 55 mph speed limit. As safer vehicles, improved highways, and other safety advances have come into play in the intervening years, the TRB esimates current life savings attributable to 55 at 2,000 to 4,000 a year.

In addition, some 2,500 to 4,500 fewer serious, severe, and critical injuries and 34,000 fewer minor and moderate injuries occur each year because of the slower speeds and more uniform traffic pace brought about by the 55 mph speed limit. The TRB study calculates the 55 mph speed limit reduces medical bills, legal costs, and the costs of motor vehicle damage by $122 to $240 million annually.

Arguments Against 55

Average highway speeds have been increasing since 1974, and lack of support for 55 in some state legislatures and by some Congressmen are leading to predictions that the law will be abolished. Here are some common arguments against 55:

The benefits of 55 aren't worth the extra driving time. The average highway user now spends about seven more hours a year on the road than in 1973, when speeds averaged 65 mph. Yet the national total of about 1 billion additional hours a year driving time translates into about one minute per person per day. The current time loss is at least partially offset by savings in fuel, mainte-

Save Lives?

nance, and insurance costs, which is why most large trucking companies support 55.

Widespread noncompliance with 55 is breeding a nation of scofflaws. While it is true that most motorists exceed 55, the majority don't exceed it by much. Exceeding the speed limit by five mph now means 60 instead of 70 or 75, as it did in pre-55 days. As with other frequently-violated traffic laws, such as coming to a full stop at stop signs, it's a lot safer with the law than without it.

Speed limits can be raised safely on many stretches of rural interstates. The TRB estimates that raising the speed limit to 60 or 65 mph on the 31,500 miles of rural interstate highways would result in about 500 more traffic deaths per year, increase motor fuel consumption by about 10 million more barrels annually, and increase taxpayer costs for death, disability and injury by about $10 million a year.

Alternatives to 55

While the TRB strongly endorsed 55, it left to Congress the decision on whether or not states should be allowed to raise speeds on selected stretches of rural interstates. It also recommends that state compliance be measured through a point system attaching more significance to high-speed violations than to violations just above the speed limit.

Since the TRB report came out, four bills to weaken or repeal 55 have be introduced in Congress. In the Senate, S-329 sponsored by Senator Chic Hecht (R-Nev.) would allow states to raise the speed limit on rural interstates. In the House of Representatives, HR-693 would permit a 65 mph speed limit on rural interstates where safe; HR-1086 would repeal the 55 law altogether, turning maximum speed limits back to the states; and HR-1163 would allow states to establish maximum speeds of up to 70 mph.

HR-3129, the Federal-aid Highway Act of 1985, introduced on July 31 by Representative Glenn Anderson (D-Cal.) and 39 co-sponsors, takes a different approach. It retains the 55 limit but establishes a new formula for measuring state compliance. Instead of considering all speeds over 55 to be of equal statistical importance, as is now the case, the new formula would weigh speed limit violations by the type of highway and the excessiveness of the speed. For example, speeds over 65 mph on a conventional rural highway would count 40 times as much as speeds between 55 and 60 mph on an interstate or other access controlled highway in computing a state's weighted "score." The current authority to penalize states out of compliance would be extended.

> ***"The major benefit of the 55 mph speed limit law was the remarkable reduction in traffic fatalities... Current life savings attributable to 55 are 2,000 to 4,000 a year. In addition, some 2,500 to 4,500 fewer serious, severe, and critical injuries occur and 34,000 fewer minor and moderate injuries occur."***

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Does 55 Save Lives?

(Continued from page 9)

Federal law now requires that at least 50 percent of traffic traveling on roads posted at 55 mph in each state must be in compliance with the speed limit. Any state not meeting this standard may lose up to 10 percent of its federal-aid primary, secondary, and urban highway funds.

The states collect this speed data through automatic recording devices imbedded in the roadway. Speeds are monitored on the various types of highways posted at 55, over 24-hour periods in good weather, and the results are reported to the Federal Highway Administration.

The law allows adjustments to the raw speed data to account for speedometer error, sampling errors, and inaccurate speed measuring devices.

A total of 576,290 miles of highways posted at 55 were monitored for speed throughout the country in 1984. The data show that after adjustments, 42 percent of the traffic monitored was exceeding 55 mph.

Arizona reported the percent of monitored traffic exceeding 55 mph at 56.3 percent; Maryland, 55.9 percent, and Vermont, 51.8 percent. All other states reported less than 50 percent exceeding 55 mph.

Under the 10 percent penalty, the three states out of compliance could together lose up to $13 million in federal highway funds, as follows: Arizona, $5.3 million; Maryland, $5.8 million, and Vermont, $1.9 million.

However, states where most highways posted at 55 are limited access highways such as interstates or roads built to interstate standards tend to register higher average speeds simply because well-designed, modern highways are where higher speeds generally occur. Of all highways in the U.S. posted at 55, 54 percent are "rural collectors," usually two-lane roads where grades, curves, or sight-distances encourage slower speeds. But Maryland and Vermont, for example, have no rural collectors posted as high as 55 mph.

Implications of New System

The proposed Federal-aid Highway Act of 1985, by weighing the compliance measurement heavily **against** those states with speed violations on conventional rural roads posted at 55, would generally reverse the state compliance list. States with considerable mileage of two-lane conventional roads posted at 55 could have trouble complying, depending on the "score" Congress selects to trigger the penalty.

During the lifetime of the 55 mph speed limit, the interstate system has had the greatest safety improvement. The fatality rate for all roads declined by 15 percent, but dropped by 32 percent on interstates.

(Continued on page 14)

NAFA Members Approve of 55 mph

Since discussion of the 55 mile an hour speed limit evokes such controversy, NAFA asked several of its members to share their opinions about the law. Those interviewed overwhelmingly approved of the 55 mph limit and believe it saves lives, money and fuel. Here's what they had to say:

"The 55 mph limit is economical and has been proven to reduce accidents," said Ken Ingram, purchasing manager, Burlington Northern Airfreight. "Road fatality rates have dropped since it has been implemented." Susan Stupak, fleet manager, Keebler Co., agrees, "The 55 mph limit has decreased damage to vehicles as well as save lives. I cannot even begin to estimate the monetary savings, because it is so astronomical."

Respondents also credit the 55 mph limit with reducing average highway speeds. "People are now averaging 45 to 55 mph instead of 60 to 70 mph as they were when the limit was higher," said Patsy Brownson, fleet manager, REMCO.

Some NAFA members advocated the 55 mph limit but had some reservations about it. "It is a good law," said Steve Schultz, fleet administrator, Merrill Dow Pharmaceuticals, Inc., and chairman of NAFA's Safety Committee. "It is economically feasible and it has been proven to reduce roadway fatalities, but other traffic dictates if you must speed up." Stupak echoed these sentiments: "I average 65 to 70 mph and stay in the right lane. I would get killed if I did 55 mph because everybody — at least in the morning and evening rush hours on the highways I travel — goes faster than 55 mph."

Jerry Keenan, manager, auto fleet department, GAB Business Services, Inc., said, "Gasoline savings aside, it has saved a lot of lives. However, I do not think the speed itself is the determinant of saving lives — traffic flow saves lives. If traffic flows, it will be safer because the whole pack of cars is moving and driving safely."

John Palmer, auto fleet administrator, Citizens Insurance Co., does not think the 55 limit is necessarily a good law on interstate roadways. "It does not really save lives, not on interstates at least," Palmer said. "Maybe on secondary roads it does, but it is too low a limit for interstates. Everybody goes faster than 55 mph. I drive 59 mph all the time and everybody passes me."

Joe Clark, fleet operations manager, Burroughs Wellcome Co., agreed. "I like the 55 mph speed limit because percentage-wise it saves lives and there are less injuries, but people just do not observe the law. I would vote for a change to 60 mph, at least in North Carolina, because everyone goes that speed and the difference economically would not be that great."

Does 55 Save Lives?

(Continued from page 12)

(In 1983, the interstate fatality rate was less than half that of all the nation's roads.) Primary highways and secondary roads have seen fatality drops of 17 and 13 percent, respectively. The proposed new federal formula for measuring compliance would clearly emphasize speed reduction on road systems with less sharply declining fatality rates than the interstate.

Mood of the Country

In Congressional testimony this summer, the Highway Users Federation reflected the broad-based support of business and industry for 55.

"We will resist efforts to thwart the intent of this landmark legislation," Federation President John A. Clements testified, although he said the Federation would support changing the compliance measurement system as recommended by the TRB.

But 55 remains under attack in some places.

In the states this year, 13 legislatures considered proposals to repeal 55 or weaken enforcement. But the bills died or were vetoed in Illinois, Kansas, Minnesota, Missouri, Nebraska, Oklahoma, Utah, West Virginia, and Wyoming. North and South Dakota enacted laws to reduce fines and points assessed for speeding.

"Public opinion polls show that the motoring public overwhelmingly support 55. Support is strongest among Easterners, women, and drivers over 30 years old..."

Nevada passed a seat belt use law to become effective only if the federal government allows Nevada to raise its speed limit to 70 mph. A proposal has been introduced in the New York legislature to raise the speed limit to 65 mph on the New York Thruway, which runs from the New York City metropolitan area to Buffalo.

Yet despite sporadic legislative attempts to weaken the law, public opinion polls show that the motoring public overwhelmingly supports 55, even though distinctions by age, sex, and region exist. A Gallup poll taken in 1982 and reported by the TRB shows that a majority of Americans endorse retention of the law. Support is strongest among Easterners, women, and drivers over 30 years old, although 55 is favored by 72 percent of Westerners, 66 percent of males, and 72 percent of those under 30 years old.

The polls reported by TRB show the typical opponent to the 55 mph speed limit to be a male, aged 30 or less, living in the South or West. These typical opponents to 55, young males, are the most accident-prone group of all drivers.

The surveys do not indicate increasing hostility towards police or traffic laws. A 1982 Gallup poll shows consistent support for 55 despite an increase in the percentage of those stopped for speeding since a 1981 poll. ■

1984 Speed Limit Enforcement Certification Data*

(Source: Federal Highway Administration)

State	Percent Exceeding 55 mph	Highway Mileage Subject to Speed Monitoring
Alabama	42.3	16,581.5
Alaska	35.1	1,755.9
Arizona	56.3	5,610.6
Arkansas	39.2	14,407.0
California	45.4	24,670.0
Colorado	42.5	6,209.0
Connecticut	48.1	480.3
Delaware	41.4	183.1
District of Columbia	—	—
Florida	46.2	11,925.0
Georgia	31.6	27,374.0
Hawaii	34.4	280.3
Idaho	35.0	4,331.5
Illinois	33.5	14,214.0
Indiana	46.6	10,926.0
Iowa	37.8	22,273.0
Kansas	42.4	19,037.0
Kentucky	33.0	13,616.0
Louisiana	46.6	9,929.0
Maine	49.8	1,162.7
Maryland	55.9	900.8
Massachusetts	45.7	921.2
Michigan	49.7	23,750.0
Minnesota	34.6	24,452.0
Mississippi	46.8	17,163.0
Missouri	44.5	24,943.6
Montana	45.4	9,727.0
Nebraska	47.9	11,962.0
Nevada	49.2	4,321.9
New Hampshire	41.7	668.2
New Jersey	39.7	933.0
New Mexico	45.2	7,009.0
New York	42.3	14,329.0
North Carolina	36.2	14,790.0
North Dakota	48.2	10,112.0
Ohio	41.6	18,518.9
Oklahoma	44.2	12,197.0
Oregon	45.6	13,467.0
Pennsylvania	32.6	10,684.0
Puerto Rico	49.5	143.9
Rhode Island	45.0	81.2
South Carolina	31.4	12,256.0
South Dakota	43.1	13,528.0
Tennessee	40.7	14,324.0
Texas	45.6	53,807.0
Utah	40.6	3,963.0
Vermont	51.8	371.1
Virginia	30.0	14,786.0
Washington	39.6	4,840.0
West Virginia	25.5	7,465.8
Wisconsin	39.2	19,296.0
Wyoming	47.2	5,612.5
National	**42.0**	**576,290.0**

*As reported by the states in the Certification of Speed Limit Enforcement submitted for the period October 1, 1983 to September 30, 1984.

NAFA'S Safety Larger Fleets Have

A total of 182 NAFA members participated in NAFA's 1985 Safety Survey. The survey is designed to determine what safety policies and procedures are enforced by NAFA member companies. In addition, it looked at methods of data collection and statistics on accident frequency.

To determine whether there are any differences between large and small fleets concerning safety, respondents were asked to check one of five categories: less than 100 vehicles, 101-500 vehicles, 501-2500 vehicles, 2501-5000 vehicles or more than 5000 vehicles. Of the 182 respondents, 24 represented fleets of less than 100 vehicles, 76 represented fleets with 101-500 vehicles, 64 represented fleets of 501-2500 vehicles, 13 represented fleets of 2501-5000 vehicles, and five represented fleets of 5000 vehicles or more.

Sixty percent of fleets with more than 5,000 vehicles responded positively to the question, "Does your company have a defensive driving/accident prevention program?" The remaining large fleet categories, 501-2500 and 2501-5000, also had high percentages of 'Yes' votes: 61 percent and 58 percent, respectively. Small fleet categories, fleets of less than 100 and 101-500 vehicles, said 'Yes' 38 percent and 41 percent of the time, respectively.

Companies Use NSC Pamphlets

Companies that have defensive driving programs most often use pamphlets from the National Safety Council and insurance company newsletters to promote their programs. Other widely used promotional techniques are in-house meetings, mandatory courses for all drivers, posters, safe driving awards, and safe driving incentives such as free options or discounts on options.

Steve Schultz
Safety Committee Chairman

53% Have Written Safety Policies

More than half, 53 percent, of all fleets responding have written safety policies. This percent, however, is deceiving since 71 percent — a vast majority — of organizations with more than 500 vehicles, and only 29 percent — a vast minority — of organizations with less than 500 vehicles have written safety policies. Overall, 58 percent of all respondents have mandatory seat belt policies. Categorically, 45 percent of less than 100 vehicle fleets, 45 percent of 101-500 vehicle fleets, 73 percent of 501-2500 vehicle fleets, 64 percent of 2501-

Survey Results: More Safety Policies

5000 vehicle fleets, and 80 percent of 5000 or more vehicle fleets have seat belt policies.

The large fleet categories also have a higher percentage of companies using driver training programs than the small fleet categories: 48 percent, 64 percent, and 80 percent for large fleet categories and 35 percent and 31 percent for small fleet categories.

Large Fleets Have Review Boards

In addition, large fleet categories have higher percentages of 'Yes' votes to the question: "Does your company have an accident review board?": 64 percent, 50 percent, and 80 percent for large fleet categories and 29 percent and 44 percent for small fleet categories. Large fleets also tend to keep in-depth accident journals more than small fleets: 98, 83, and 100 percents for the large fleet categories and 73 and 88 percents for the small fleet categories.

More than half of all fleets in each large fleet category are members of the National Safety Council (53, 50, and 60 percent), while less than half (35 and 38 percent) of all fleets in both small fleet categories are members of the NSC. Larger fleets also tend to use materials from the National Safety Council more often than small fleets.

Small Fleets Obtain Accident Costs

Fleets in the small fleet categories are able to obtain total accident costs more than those in the large fleet categories. Eighty-seven and 81 percent in the small fleet categories said 'Yes' while 75, 67, and 60 percent in the large fleet categories said they could obtain total accident costs.

Drivers with repeated accidents are reprimanded in a variety of ways. Most frequently, drivers are made to pay part of the deductible amount of the damage caused to the car. Other actions include counseling to determine if the driver has a drinking or related abuse problem, retraining, oral and/or written reprimands that are made note of in the driver's permanent file, reassignment to a non-car position, fines, suspension, probation, and, if warranted, termination of employment.

The accident frequency ratio for fleets with less than 100 vehicles averaged 11.60 with the high being 28.45 and the low 2.00. For fleets of 101-500 vehicles the ratio average was 10.66 with a high of 62.48 and a low of 0.06; fleets of 501-2500 averaged 9.91 with a high of 37.74 and a low of 1.07; fleets of 2501-5000 vehicles averaged 4.34 with a high of 6.40 and a low of 1.36; fleets of 5000 or more vehicles averaged 9.64 with a high of 21.94 and a low of 4.55. Overall, the average accident frequency ratio was 10.03 with a ratio of 7.77 median.

(Continued on page 18)

"Companies that have defensive driving programs most often use pamphlets from the National Safety Council and insurance company newsletters."

Safety Survey Results

(Continued from page 17)

Overall, the most significant changes from the 1980 Safety Survey were the increased percentages of fleets having accident review boards, the organization's ability to obtain total accident costs, and the number of fleets checking employee's driving records before issuing company cars.

"More than half of all fleets in each large fleet category are members of the National Safety Council, while less than half of all fleets in both small fleet categories are members of the NSC."

More than half, 51 percent, of all respondents have accident review boards within the company. In 1980, only 44 percent had review boards. Related to this is an increase in the percentage of fleets able to obtain total accident costs. Eighty-five percent said they could get these figures in 1985 compared to 80 percent in 1980.

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Survey Highlights

- Fifty-four percent of respondents check employees' driving records before issuing company cars.
- Companies with defense driving programs most often use pamphlets from the National Safety Council or insurance company newsletters to promote the programs.
- Almost 60 percent of respondents have implemented company-wide seat belt policies for their drivers.
- Nearly nine out of every ten respondents maintain accident journals or logs of accident reports.

When asked, "Are driving records checked before a company-provided car is assigned to an employee?" 54 percent of respondents answered 'Yes,' an increase of seven percent from 1980. However, less than half of the 1985 respondents, 45 percent, check employee driving records at regular intervals after issuing a company car. This could signal an awareness of safety at the beginning of a driver's career but little reinforcement of that awareness throughout the driver's affiliation with the company.

49% Have Defensive Driving Programs

In 1980, 47 percent of fleets responding had a defensive driving program or accident prevention program. In 1985, 49 percent have these types of programs. Those fleets using driving training rose from 40 percent in 1980 to 41 percent in 1985. Both

"Drivers with repeated accidents are reprimanded in a variety of ways. Most frequently, drivers are made to pay part of the deductible amount of the damage caused to the car."

of these increases show an awareness of the necessity and importance of proper training for roadway dangers but, industry-wide, are still considered low percentages.

Majority Have Accident Journals

An overwhelming majority responded positively to "Do you maintain an Accident Journal or log of vehicle accidents?" This figure remained at 89 percent from 1980 to 1985. Eighty-seven percent record whether the employee or a family member was at fault in an accident and 74 percent report whether the car was being used for business or personal reasons at the time the accident occurred. Seventy percent record the time of day the accident

occurred and 60 percent describe the conditions of the highway. These figures are essential for investigating accidents and developing accident prevention programs.

"The increase in the number of fleets having defensive driving or accident prevention programs shows an awareness of the necessity and importance of proper training for roadway dangers..."

Thirty-two percent of all respondents have safe driving award programs. These include monetary awards, free car options, plaques, certificates, trophies, and dinners.

If your company is looking to expand, upgrade, or start a safety program, 85 percent of survey respondents agreed to share their safety programs with other NAFA members. NAFA is considering asking members of these companies to form a safety-sharing committee. If you feel your company's safety program is well-run, effective, and easily implemented, please contact NAFA.

Response to this year's survey was far below that of 1980. The current survey had only 182 respondents compared to 315 in 1980. The low response can be attributed to the fact that a safety survey had not been done in five years, so interest was generally low. NAFA will correct this problem by issuing an easy-to-answer survey form on an annual basis from now on. This should increase fleet awareness of safety as well as the response rate. ■

Editor's Note: NAFA Headquarters is often asked what safety programs are used by its members. More than 85 percent of survey respondents agreed to share their safety programs with other NAFA Members. NAFA welcomes this information. Send in yours today to: NAFA, 120 Wood Avenue South, Iselin, New Jersey 08830.

Safety Survey Summary of Responses

FLEET SIZE	DEFENSIVE DRIVING/ ACCIDENT PREV PROGRAM		WRITTEN SAFETY POLICY		MANDATORY SEAT BELT REGULATION		DRIVER TRAINING PROGRAM		ACCIDENT REVIEW BOARD		ACCIDENT JOURNAL OR LOG		EMPLOYEE OR FAMILY AT FAULT		CONDITION OF HIGHWAY		BUSINESS OR PERSONAL USE		TIME OF DAY ACCIDENT OCCURRED		TOTAL ACCIDENT COST		RECORDS CHECKED BEFORE COMPANY CAR ASSIGNED		RECORDS CHECKED REGULARLY		MEMBER OF NATIONAL SAFETY COUNCIL		SAFETY COUNCIL'S MATERIAL USED		COUNCIL'S ACCIDENT DEFINITION USED		AWARD PROGRAM	
Yes or No	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N
Less than 100 (24)	9	15	10	13	10	12	8	15	7	17	16	6	14	6	9	9	12	6	12	8	20	3	11	12	10	9	8	15	11	9	7	9	5	19
100 to 500 (76)	31	45	29	46	34	41	23	52	32	40	67	9	60	7	34	33	42	20	45	23	62	14	39	37	37	38	26	42	35	25	29	28	20	53
501 to 2,500 (64)	38	24	38	20	46	17	29	32	39	22	59	2	53	6	43	17	45	11	45	18	48	16	40	24	24	38	30	27	37	16	34	17	25	36
2,501 to 5,000 (13)	7	5	10	2	8	4	7	4	6	6	10	2	8	2	5	4	8	2	9	1	8	4	4	8	4	7	6	6	7	3	7	3	5	7
5,000 or More (5)	3	2	5	0	4	1	4	1	4	1	4	0	4	0	4	1	3	0	4	0	3	2	3	2	2	2	3	2	4	0	3	2	1	4
Totals	88	91	92	81	102	75	71	104	88	86	156	19	139	21	95	64	110	39	115	50	141	39	97	83	77	94	73	92	94	53	80	59	56	119

NAFA's Annual Conference Issue

NAFA
Bulletin
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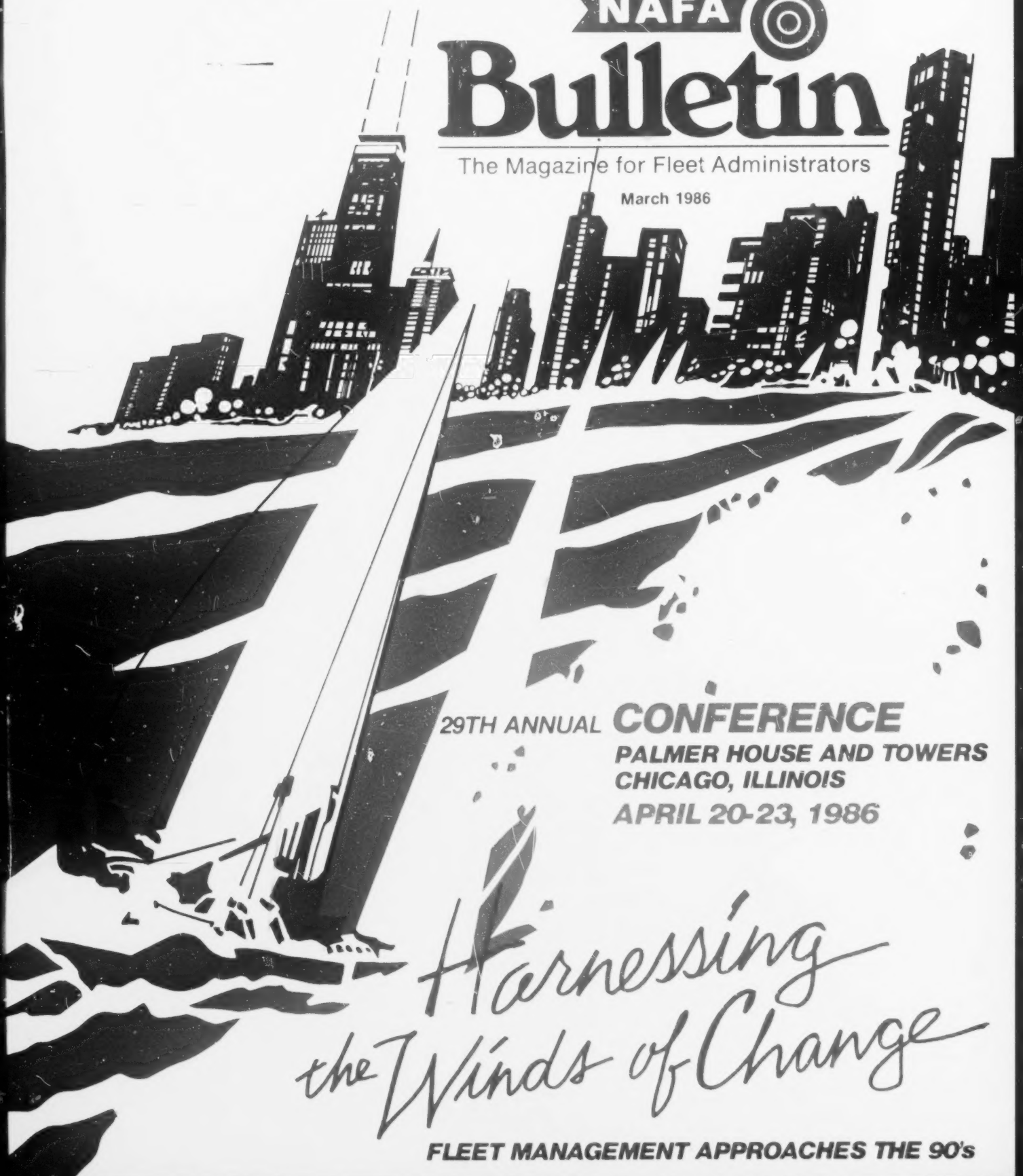
March 1986



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NAFA Bulletin

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March 1986

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58 **Automobile Safety: What Is the Government's Role?**
Many questions have arisen as to the role the federal government should play in requiring car manufacturers to build safe vehicles. Here is one view of what the government is doing.

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NAFA's Annual Personal Use Survey

NAFA Exclusive

Here are the results of NAFA's Annual Personal Use Survey — the most complete measure of personal use policies within the fleet industry.

A total of 358 fleets, operating 237,710 vehicles, participated in NAFA's Annual Personal Use Survey. The breakdown of responses is: 267 from commercial fleets in the United States; 41 Canadian fleets; 30 government fleets, and 20 public utilities fleets. ■ The Personal Use Survey covers three very important areas of fleet management: 1) when employees are able to use business cars for personal use; 2) who gets business cars, and 3) how employees are charged for personal use of business cars or how they are reimbursed for use of personal car for business. ■ The following article classifies responses into business categories with subsections on the three main areas outlined above. Please note that the Personal Use Survey results for Canadian, government and public utilities fleets will be reported in next month's Bulletin.

Consumer Manufacturing Fleets

Personal Use Policies

Thirty-three consumer manufacturing company fleets, responsible for 34,882 vehicles (24,941 U.S. company-owned, 8,670 U.S. leased and 1,271 U.S. employee-owned) responded to the survey.

Every fleet in this group allowed personal use of company cars after hours and on weekends, holidays and vacations. Twenty-nine of the 33 responding fleets have no limit on the number of personal miles a driver can put on a car. This resulted in a monthly average of 353 personal miles driven by each employee. This, the companies responded, was approximately 16.5 percent of the fleet's total mileage each month.

Corresponding with this, 29 fleets charge employees for personal use of a fleet car. The split between chargeback methods is almost even: 12 use a mileage-driven charge method; nine have a flat monthly or weekly rate, and eight use a combination of both methods. Fifty-five percent (18) of these fleets have not increased the charge for personal use in the last year. The average personal mileage charge was almost 15 cents (.146) for each mile.

The most often cited method for collecting personal use charges for consumer manufacturing fleets is through an expense report deduction. Fifteen fleets, or 46 percent, use this method. The second most popular was collection via salary deduction, where 10 fleets, 30 percent, responded they used this method. Approximately one-fourth (8) of these fleets use other methods of collection such as payment by personal check.

Every fleet in the group permits personal use by both the employee and spouse. In addition, 19 of the 33 fleets allow licensed children to drive the company car. Eleven of those 19 fleets have a minimum age requirement of 18 years.

To the question, "Is any portion of repair costs resulting from accidents during personal use charged to the operator?" 15 fleets responded 'Yes' and 18 responded 'No.' Of that 15, ten fleets charge a dollar amount based on a percent of the cost and five charge a "deductible" amount according to their insurance policy. No one charges the full amount of the damage and no one charges a fixed share of the cost of damage. In 17 of the 33 fleets, the employee is charged with an accident if another person was driving the company car at the time the accident occurred.

Car Assignment

A combination of factors is used to determine who gets a company car in consumer manufacturing company fleets.

An employee's job title is the most important factor according to 24 fleets who said this was a determinant in getting a company car. Next was the mileage the employee drove in a year; 16 fleets noted this was used to assign cars. Nine fleets said cars were given as part of the employee's fringe benefit plan.

Survey Highlights

- In contrast to last year's survey results, more fleets charge drivers for personal use via a mileage-driven rate rather than a flat rate each period.
- Most fleets responding to the survey collect personal use mileage charges through salary deductions rather than expense reports.
- A majority of drivers are charged their insurance policy deductible amount when they are involved in an accident while using a company car for personal use.

If an employee's assigned car is not in operation, there are several options the companies take to get that person a car. Thirty-one responded they rent a car; 29 let the employee use his/her own car; 14 set up a car pool system, and five are allowed to use the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, most fleets pay only for mileage driven. Twenty-two fleets said they reimburse employees an average of 20 cents a mile regardless of the miles driven. Two fleets pay a fixed amount plus approximately 11 cents a mile for a cost of $133.50 a month. Two fleets use the Runzheimer Schedule, one uses a graduated scale where a certain amount is paid for the first set of miles and a different amount is paid for any miles over that. One fleet pays a fixed rate of $35 a week.

When reimbursing an employee who used a personally-owned car because his/her assigned fleet car was not in operation, 28 fleets pay an average of a little more than 19 cents a mile, while one fleet pays an unspecified fixed amount.

Slightly more than half the fleets (17) compensate employees who, because of transfer or reassignment, are no longer eligible for a company car. The amount of compensation, in most cases, is determined on a case-to-case basis.

Two of the 31 respondents said the Internal Revenue Service (IRS) had conducted an audit of their companies within the last two years. That audit included investigation into the companies' personal use policies.

Industrial Manufacturing Fleets

Personal Use Policies

Fifty-nine industrial manufacturing fleets, operating 34,312 vehicles (29,909 U.S. leased, 2,856 U.S. company-owned and 1,547 U.S. employee-owned) responded to the survey.

Ninety-seven percent of these fleets (57) allow employees personal use of company vehicles. Fifty-four fleets allow employees to use the company vehicle after working hours and on weekends

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Personal Use Survey Results

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and holidays. Fifty-three said employees are allowed personal use of company cars while the employee is on vacation. More than 80 percent of the responding companies have no limit on personal mileage. This results in a monthly personal mileage average of 533 miles for each employee. This, the companies cited, equals an estimated 21.7 percent of the company's total fleet mileage each month.

Forty-nine fleets charge employees for personal use of company cars. Most companies (20) charge a flat monthly or weekly rate. Fifteen fleets charge an average of 11.6 cents a mile for each personal mile the driver puts on the car. Fourteen fleets use a combination of the flat rate and mileage charge methods. The charge for personal use of fleet cars increased in more than half the responding companies; 28 said increases were necessary, 25 said the rates remained the same as the previous year.

Two methods for collecting personal use charges were used in almost the same number of respondents. Twenty one fleets said they collect the money through expense report deductions, while 20 said they use salary deductions to get personal use charges. The remaining fleets cited other methods of personal use collection, but they did not specify what they were.

Almost all the fleets allow the employee's spouse to use the company car; 50 responded affirmatively while none responded negatively. Of the 23 that responded to whether they allow employee's children to drive the company car, all said "Yes." Slightly more than half, 28, said they have a minimum age requirement for driving a company car and 27 said they do not.

In answering the question, "Is any portion of repair costs resulting from accidents during personal use charged to the operator?" the same number of fleets (29) responded "Yes" and "No." Of the 29 who charge the operator, 14 charge the insurance company "deductible" amount, eight charge a dollar amount based on the cost of the accident, two charge a fixed dollar amount and one fleet charged the operator the full amount of the damage. Out of 54 responses, 37 said they charge the operator with an accident if another person was driving the company car at the time the accident occurred.

Car Assignment

There are two major factors that determine who gets a company car in industrial manufacturing fleets: job title and number of business miles driven. Job title was a determining factor for 47 fleets and, in 33 fleets, if a driver averaged approximately 13,300 miles a year he/she was assigned a car. Sixteen fleets said they gave out company cars as part of the employee's fringe benefit plan. Five fleets gave "other" reasons for assigning company cars.

If an employee's assigned car is not in operation, industrial manufacturing fleets are likely to take one of three major alternatives to get that person a car. Most fleets, 56, said they allow the employee to use his/her own car until the company car is operable. Forty-seven fleets rent a car and 36 use a car pool system. Seventeen fleets allow drivers to use their district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personally-owned car, 48 of these fleets pay only for mileage driven. The average cost paid per mile is 20.3 cents. Five fleets pay a fixed dollar amount plus an average of 8.2 cents a mile for an average monthly payout of $204.88. Three fleets use the Runzheimer Schedule, three use a graduated scale of payment and two pay an unspecified fixed amount each month.

When reimbursing an employee because his/her company car was not in operation, all 54 respondents said they pay only for mileage driven. No fleets said they pay a fixed amount or a fixed amount plus mileage.

Thirty respondents said they compensate employees who, because of transfer or reassignment, are no longer eligible for a company car; 26 said they did not.

An overwhelming majority (51) said they had not been audited by the IRS within the past two years. The three that were audited said the audit included an investigation into the company's personal use policies.

"There are two major factors that determine who gets a company car in industrial manufacturing fleets: job title and number of business miles driven. Job title was a determining factor of 47 fleets and, in 33 fleets, if a driver averaged approximately 13,300 miles a year, he/she was assigned a car."

Insurance Company Fleets

Personal Use Policies

Fifty insurance companies in charge of 7,519 vehicles (4,679 U.S. company-owned, 2,617 U.S. leased and 223 U.S. employee-owned) responded to the survey.

Of the 24 fleets that responded to questions regarding when employees could use company cars for personal use, all said employees could use them after work hours, and on weekends, holidays and vacations. (Twenty-six fleets did not respond to this question; none said no.) Twenty one of the 24 fleets have no limit on the number of personal

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Personal Use Survey Results

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miles a driver can put on a car. This results in a monthly average of 466 personal miles for each driver, which, the companies estimate, is 22.5 percent of the total fleet mileage.

Twenty of 22 fleets charge drivers for the personal mileage they put on the company car. Eight fleets charge a flat monthly rate; eight charge a flat monthly rate plus a mileage fee and seven charge only a mileage fee. Eleven fleets increased, from last year, the fees they charge drivers for personal mileage; eleven fleets also kept the same rates as the previous year.

Twice as many fleets collect the charges for personal use of company cars through salary deductions as those who collect otherwise. Ten fleets use the salary deduction method; five collect through expense account deductions and five use "other" methods.

Of the 20 fleets that responded, all allowed personal use of company vehicles by the spouse of the employee. Eight also allowed personal use by the children of the employee and one allowed personal use by "others." Eighteen of 24 responding fleets have no minimum age requirement for personal use of business cars.

Seventeen of 50 fleets charge employees for a portion of the costs resulting from accidents during personal use of a company car. Ten fleets charge the insurance "deductible" amount; four charge a dollar amount based on the cost of the accident; two charge the full amount; one bases charges on "other" criteria. Twenty-one of 43 fleets charge the employee with an accident if another person is driving the car at the time the accident occurred.

Car Assignment

Two reasons were noted as most significant in determining who gets a company car. Thirty-four fleets said the average yearly mileage is a determinant. Drivers who average 11,922 miles a year usually are assigned a company car for insurance company fleets. Thirty-three fleets use the employee's job title as a criterion for assignment of a company car. Seven fleets give a company car as part of the employee's fringe benefit plan; three cite "other" reasons for assigning cars.

When an employee's company-assigned car is inoperable, 47 fleets rent a car for him/her; 45 fleets allow the employee to use his/her own personal car and 31 fleets set up a car pool system. Six fleets allow the drivers to use the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, 45 fleets responded they pay only for mileage driven. The amount they paid was 20 cents a mile. Four fleets use a graduated scale of payment where a certain amount is paid for the first set of miles and a different amount is paid for any mileage over that. One fleet used a fixed amount of payment plus paid for mileage. The payment for mileage was not given, but the average total monthly payment was $245. One fleet uses the Runzheimer Schedule of payment.

When reimbursing an employee who uses a personal car because his/her company assigned car is inoperable, 48 fleets pay for mileage only. No other methods of payment were given for this situation.

To the question, "Does your company compensate employees who, because of transfer or reassignment, are no longer eligible for a company car?" 27 insurance company fleets said 'Yes' and 19 said 'No.' Forty-two fleets had not been audited by the IRS in the previous two years. The seven fleets which were audited had their personal use policies investigated.

Drugs and Cosmetics

Personal Use Policies

Thirty-six drug and cosmetic company fleets, responsible for 28,557 vehicles (26,514 company-leased, 1,435 U.S. company-owned and 208 U.S. employee-owned) responded to the survey.

All but one of the respondents allow personal use of company cars after work hours and on weekends, holidays and vacations. Also, 35 fleets have no limit on the amount of personal mileage a driver can put on a company car. These fleets estimated that an average of 493 personal miles are driven by

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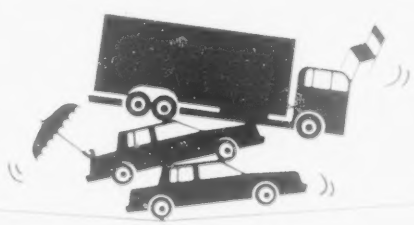

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Personal Use Survey Results

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each employee a month. This equals 14.6 percent of the total fleet monthly mileage.

Twenty-eight of responding fleets said they charge drivers for personal mileage they put on company cars. Exactly half of those companies charge both a flat rate and a mileage charge. Seven fleets charge only a personal mileage charge, with the average charge being 17.5 cents a mile. Another seven fleets charge just a flat rate every period. Of 30 respondents, 18 said they increased the charges for personal mileage from last year's prices.

The most often noted method of collection of fees for personal use mileage was through expense report deductions. 17 fleets use this method. Ten said salary deductions are used to collect the fees and six used "other" methods.

Almost all responding drug and cosmetic fleets (34) allow personal use of company cars by the employee's spouse. In addition, 20 allow the employee's licensed children to use the car and five allow "others" to drive the car. Nineteen fleets have no minimum age requirement for someone to drive the company car.

To the question, "Is any portion of repair costs resulting from accidents during personal use charged to the operator?" 20 responded 'Yes' and 14 'No.' Ten of these fleets charge a dollar amount according to the cost of damage; six charge the insurance "deductible" amount and one charges the full amount of the damage (the remaining three charge "other" unspecified amounts). Also, in 20 fleets, the employee is charged with an accident if another person was driving the car at the time the accident occurred.

Car Assignment

By far, the most influential factor in determining who gets a company car in drug and cosmetic fleets is the person's job title. Thirty-two fleets said this criterion was used to base their decision on who gets a company car. Another 14 fleets said the mileage driven by the employee determines who gets a car. The average mileage driven by those who received company cars was 8,178. Nine fleets assign cars as a part of the employee's fringe benefit plan and four have "other" reasons for giving company cars.

If an employee's company car is not operable, 35 fleets rent a car for him/her until the company car is repaired, or they allow the employee to use his/her personal car. Fourteen fleets responded they set up car pools in this situation. Nine allow use of the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, responding drug and cosmetic fleets use only two methods of payment. Most often, fleets pay only for the mileage driven with the average payment being 23.2 cents a mile. One fleet said they reimburse their drivers a fixed amount of $300 a month. No one uses a combination of the fixed rate plus mileage, the Runzheimer Schedule or a graduated scale of payment, according to results.

When reimbursing an employee who used a personally owned car because their company car was not operable, 32 fleets pay only for mileage driven. The average payout was 21.6 cents a mile. Two fleets pay an unspecified fixed amount each period.

Overwhelmingly, these fleets said they reimburse an employee who is no longer eligible for a company car because of transfer or reassignment. Thirty of 35 responding fleets do this.

Two of 34 fleets said they had been audited by the IRS in the last two years. The audit included investigation into the companies' personal use policies.

"The most often noted method of collection of fees for personal use mileage among drug and cosmetic fleets was through expense report deductions: 17 fleets use this method. Ten said salary deductions are used to collect the fees and six used "other" methods."

Chemical and Petroleum Fleets

Personal Use Policies

Thirty chemical and petroleum company fleets, representing 27,415 vehicles (15,095 U.S. company-owned, 12,028 U.S. leased and 292 U.S. employee-owned) responded to the survey.

Twenty-eight of the 30 allow personal use of fleet cars. Of 27 respondents, 25 allow personal use after work hours and on weekends and holidays. Sixteen of the 27 allow personal use while the employee is on vacation. Eighteen fleets have no limit on the number of personal miles a driver can put on a company car. The average monthly personal mileage total for these fleets is 547 miles per driver, which represents 22 percent of the company's monthly fleet mileage.

Corresponding with this, 20 fleets charge employees for personal use of company cars. Eight fleets charge for the total personal mileage driven; eight charge a flat rate each period and four use a combination of both methods. Fourteen fleets have increased their charges for personal mileage on company cars, while the same number have kept fees at last year's rates.

Collection for personal mileage charges through salary deductions was used in ten fleets. Three fleets use expense accounts to collect the charges and nine use "other" collection methods.

Seventeen of the 30 chemical and petroleum company fleets permit personal use of company cars by an employee's spouse. Six allow the employee's children to use the company car and two allow "others" permission to drive company cars. Almost two-thirds (18) of these fleets have no minimum age requirement to drive a company car.

Almost four times as many fleets responded 'No' compared with those who said 'Yes' to "Is any portion of repair costs resulting from accidents during personal use charged to the operator?" Twenty-three said 'No' and six said 'Yes.' Of the six, three charge a certain dollar amount based on the cost of the accident, one charges the full amount of damage, one charges the insurance company "deductible" amount and one uses "other" methods of charging.

Fourteen companies said they do not charge the employee for an accident if another person was driving the car at the time the accident occurred; nine do so.

Car Assignment

There are two main factors used to determine who gets a car according to the responding chemical and petroleum company fleets.

The employee's annual mileage governs providing a company car in 17 fleets. The average mileage for a driver who receives a company car in this category is 10,117 a year. The person's job title is a factor in determining if he/she gets a company car in 15 fleets. A person will get a company car as part of his/her fringe benefit plan in six fleets. Four fleets gave "other" reasons for assigning company cars.

"When reimbursing an employee who used a personal car because his/her business car was out of operation, all chemical and petroleum company fleet responses were for paying the driver for mileage only."

If an employee's company car is not in operation, 26 fleets rent a car, 25 allow the employee to use his/her personal car and 23 set up a car pool system. Twelve fleets allow the employee to use the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, 24 of these fleets pay an average of 20 cents a mile for mileage driven. Three fleets use a graduated payment scale where a certain amount is paid for the first set of miles and a different amount is paid for any mileage over that. Two fleets use the Runzheimer Schedule for payment. No fleets responded that they reimbursed

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Personal Use Survey Results

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drivers a fixed amount every period or a fixed amount plus mileage.

When reimbursing an employee who used a personal car because his/her business car was out of operation, all responses were for paying the driver for mileage only. No one said they paid a fixed amount plus mileage.

If an employee loses his/her eligibility for a company car due to transfer or reassignment, 23 fleets responded they do not compensate or reimburse that employee in any way. Six do compensate the employee.

Twenty-five fleets had not been audited by the IRS in the last two years; two had been. The audits included an investigation into the companies' personal use policies.

Food and Beverage Fleets

Personal Use Policies

Thirty food and beverage company fleets, responsible for 18,105 vehicles (9,839 U.S. company-owned, 7,904 company-leased, and 362 U.S. employee-owned) responded to the survey.

All 30 respondents allow their employees personal use of company vehicles after work hours and on weekends and holidays. One company does not allow personal use on vacation, but 29 do. Twenty-four fleets have no limit on the amount of personal mileage a driver can put on a company car. The average personal mileage for each driver in this category is 510 miles a month. Personal mileage on company cars is estimated to account for 19.5 percent of each fleet's total mileage.

Twenty-seven fleets charge for personal use of company cars. The most cited method of charging is by mileage driven; 15 fleets use this method. The average cost of personal mileage charge is 11.6 cents a mile. Eleven fleets charge a flat rate each period. Seven fleets use a combination of both methods. Slightly more than half (16) of the fleets increased their personal use charge rates from last year; 14 did not.

When collecting the charges for personal use, a majority of these fleets do so by salary deductions; 17 fleets use this method. Nine collect through expense report deductions and three use "other" methods.

All 30 fleets allow personal use of company cars by the spouse of employees. Fourteen allow the children of employees to use the company car and two allow "others" permission to drive the cars. Seventeen of 29 responding fleets have no minimum age requirement to use the company car.

Exactly three-fifths of the fleets (18) responded negatively when asked if any portion of the repair costs, resulting from an accident when the driver is using the car for personal use, are passed on to the operator. Of the twelve fleets that said the costs are passed on, ten make the operator pay the insurance "deductible" amount and two charge a dollar amount based on the cost of the accident. Twenty of these fleets charge the employee with an accident even if someone else was driving the car at the time the accident occurred; nine fleets do not.

Car Assignment

The most frequent reason given for assigning a company car to an employee was the employee's job title; 27 fleets gave this as a leading criterion. Fourteen fleets said the yearly mileage driven was a prime factor in determining who gets a company car. These fleets said the average mileage is 12,619 for those who received cars. Five fleets said cars were given as a part of the employee's fringe benefit plan and one gave "other" reasons.

If the employee's company car is inoperable, food and beverage company fleets use two methods to get the employee a car. Twenty-six fleets allow the driver to use his/her own car; 24 rent a car for the employee. Eighteen fleets set up a car pool system and 12 allow the employee to use the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, 21 fleets pay for mileage only. The average payout is 20.1 cents per mile. Four fleets reimburse the employees a fixed amount each month, the average payment being $350.

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Personal Use Survey Results

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Three fleets pay a fixed amount plus some payment for mileage. The average payment per mile for these fleets is 20.2 cents and the overall monthly payment averages $260.62. One fleet uses the graduated scale of payment and none use the Runzheimer Schedule of payment.

When reimbursing an employee who used a personal car because his or her business car was unavailable, 26 fleets pay for mileage only. The average payment is 21.1 cents per mile. No one pays employees a fixed amount or a fixed amount plus mileage in this case.

More than two-thirds of these fleets (18) compensate employees who lose eligibility for company car due to transfer or reassignment; eight fleets do not compensate employees in this case.

Twenty-four of 29 responding fleets had been company fleets but not been audited for the IRS in the last two years. The five that were audited had their personal use policies investigated.

Miscellaneous Company Fleets

Personal Use Policies

Twenty-nine miscellaneous companies (those that do not fit any of the other groups) responded for 15,651 vehicles (9,661 company leased, 5,431 U.S. company owned, and 559 Canadian owned). Twenty-six fleets said employees can use the company cars for personal reasons. Of these, 23 allow employees to use the cars for both business and personal use on weekends and holidays. Three allow personal use only on weekends and holidays. Twenty-two of these fleets record the actual number of personal miles driven. All pay for company cars. The result is a monthly average of 360 personal miles per driver, which is estimated to be 17.1 percent of each fleet's total monthly fixed mileage.

Twenty-three of 29 fleets charge drivers for the personal miles they put on the company car. Ten fleets charge only for mileage. The average charge is 11.8 cents a mile. Six fleets charge a flat rate each period; four fleets use a combination of both methods to charge their drivers. Three fleets use unspecified "other" charge methods. From last year, 14 fleets increased the rates they charged their drivers; eight fleets did not.

The 23 fleets that charge for personal mileage collect those fees in various ways. Eight said they use salary deductions, five use expense accounts and ten use "other" methods.

Of the 18 fleets that responded to the question of whether they allow an employee's spouse to use the company vehicle, all said "Yes." Nine fleets also allow employee's children to use the company vehicle. None allow "others" to use the vehicles. Fifteen fleets said they do not have a minimum age requirement to drive a company car; eight fleets do.

To the question, "Is any portion of repair costs resulting from accidents during personal use charged to the operator?" nine fleets said "Yes." Several of these charge the maximum "deductible" amount and two charge a dollar amount based on the cost of the damage. Eight fleets also charge the driver with all accident if someone else is driving the company car at the time the accident occurred. Twelve fleets do not do this.

Car Assignment

When differentiating who should get a company car, the respondents in the miscellaneous group said the seniority of the employee was the most influential factor in their decisions. Two to four fleets rated job title as a determinant factor. The fourth factor listed by the miscellaneous group to determine who gets a company car is "driver record." A driver who averages 50,000 miles or more a year usually gets a company car in this group. Five fleets give company cars as part of the employee's fringe benefit plan and three cite "other" reasons for giving company cars.

Summary of Survey Responses

Industry Group	Number of Fleets	Company Owned Cars	Company Leased Cars	Employee Owned Cars	Total
Industrial Manufacturing	59	2,856	29,909	1,547	34,312
Insurance Companies	50	4,679	2,617	223	7,519
Drugs and Cosmetics	36	1,435	26,514	208	28,157
Consumer Manufacturing	33	24,941	8,670	1,271	34,882
Chemical & Petroleum	30	15,095	12,028	292	27,415
Food and Beverage	30	9,839	7,904	362	18,105
Miscellaneous	29	6,234	6,664	956	13,854
Totals	267	65,079	94,306	4,859	164,244

Personal Use Survey Results

(Continued from page 20)

If an employee's company car is inoperable, 28 fleets allow him/her to use their personally-owned car. Twenty fleets rent a car; 17 set up a car pool system and eight allow drivers to use the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, 28 fleets pay only for mileage driven. The average price paid is 20.6 cents a mile. One company reimburses drivers a fixed amount of $450 every month for business use of a personal car. One fleet pays a fixed amount plus 10 cents a mile for an average monthly cost of $250. One fleet uses a graduated payment scale. None use the Runzheimer Schedule.

If an employee uses his/her personal car because the company car is inoperable, 26 fleets will reimburse the employee for only the mileage driven. The amount paid averages 19.4 cents a mile. One fleet pays a fixed amount plus mileage; one fleet pays a fixed amount only.

If an employee loses his eligibility for a company car because of a transfer or reassignment, 18 fleets in this category do not compensate him/her, while eight do.

Twenty-five fleets were not audited by the IRS in the previous two years, but three were. Those three had their personal use policies investigated. ■

PERSONAL USE SURVEY SUMMARY

	Industrial Mfg. (59)		Insurance Cos. (50)		Drugs & Cosmetics (36)		Consumer Mfg. (33)		Chemical & Petroleum (30)		Food & Beverage (30)		Miscellaneous (29)	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Personal Use Permitted	56	2	24	0	35	1	33	0	28	2	30	0	26	3
After Work	51	1	24	0	35	1	33	0	25	2	30	0	25	3
Weekends & Holidays	54	1	24	0	35	1	33	0	25	2	30	0	23	4
Vacations	53	2	24	0	35	1	33	0	16	11	29	1	21	5
Limits on Personal Use	5	50	3	21	1	34	4	29	7	18	5	24	6	22
Charge For Personal Use	49	4	20	2	23	6	27	2	19	4	27	1	23	4
Mileage Charge	15	0	7	0	7	0	12	0	8	1	15	1	10	0
Flat Rate	20	0	8	0	7	0	9	0	8	0	11	2	6	0
Both or Other	14	0	8	0	14	0	8	0	4	0	7	2	7	0
Charge Collected By:														
Expense Report	21	1	5	2	17	0	13	2	3	1	9	3	5	2
Salary Deduction	20	1	10	1	10	0	10	0	10	0	17	2	8	0
Both or Other	11	0	5	0	6	0	8	0	9	0	3	0	10	0
Use Permitted by:														
Employee & Spouse	50	0	20	0	34	0	33	0	17	0	30	0	18	0
Employee & Children	23	0	8	0	20	0	19	0	6	0	14	0	9	0
Employee & Others	4	0	1	0	5	0	0	0	2	0	2	0	0	0
Minimum Age Limits	28	27	5	18	15	19	12	20	10	18	12	17	8	15
Repair Costs Paid By:														
Employee	29	29	17	33	14	20	15	17	6	23	12	18	9	19
Full Amount	1	—	2	—	1	—	0	—	1	—	0	—	0	—
Fixed Share	2	—	0	—	1	—	0	—	0	—	0	—	0	—
Dollar Amount	8	—	4	—	10	—	10	—	3	—	2	—	2	—
Insurance Deductible	14	—	10	—	6	—	5	—	1	—	10	—	7	—
Accident Charged	37	17	21	22	20	11	15	14	9	14	20	9	8	15
Increased Charge in 1985	28	25	11	11	18	12	11	17	14	14	16	14	8	14
Alternate Transportation:														
Employee	56	1	45	0	34	0	29	1	25	2	26	3	28	0
Rental Car	47	3	47	0	35	0	31	0	26	2	24	1	20	2
District Mgr.'s Car	17	13	6	11	9	5	5	11	12	9	12	5	8	5
Car Pool	36	7	31	6	14	5	14	6	23	4	18	5	17	4
IRS Audit	3	51	7	42	2	32	2	29	1	25	5	24	3	25

SPECIAL
9 PAGE SECTION
ON AIR BAGS

NAFA Bulletin
The Magazine for Fleet Administrators
April 1986

Myths Facts About Air Cushions

MYTH #1: An air cushion is not an effective occupant restraint because it only works in one kind of crash.

FACTS: The air cushion is intended by design to protect against fatal and serious injury in front and front-angle crashes. Because these account for about half of all car crash deaths, air cushions are a very important aspect of total occupant protection.

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The Magazine for Fleet Administrators
April 1986

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FEATURES

10 **Personal Use Survey — Part II: A Look At Public Utility, Government and Canadian Fleets**
This is a continuation of last month's report on the results of NAFA's annual survey. This month we look at how Public Utility, Government and Canadian fleets provide company vehicles and how their employees are charged and/or reimbursed for personal use of company or personal cars.

18-27 **More Than 200 Hear Air Bag Update at Washington Seminar**
In this special nine-page section, NAFA highlights a recent conference on air bags, provides a brief history of the safety device, reports on what manufacturers are doing regarding installation of the restraint and compares myths and facts of air bags.

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Stress is an inevitable obstacle in our lives. Here, we present you with typical stressful scenes that might occur in your fleet management job and explain how you can recognize factors that cause stress. The article also presents how several companies enforce stress management seminars for their employees.

50 **Ohio's Personal Use Policies Save $2 Million in 2 Years**
This article, written by the Ohio Department of Administrative Services, explains how that state was able to reduce losses and increase income via more controlled personal use of government vehicles.

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Personal Use Survey — Part II:

A Look At Public Utility, Government and Canadian Fleets

This second segment of NAFA's Personal Use Survey looks at personal use of company provided vehicles, criteria for car assignment and reimbursement for use of personally owned cars.

Public Utility

Personal Use Policies

Twenty public utility fleets, responsible for 14,531 vehicles (8,566 U.S. company-owned; 3,700 U.S. employee-owned and 2,265 U.S. leased) responded to the survey.

Fifteen of the fleets allow employees to use company cars for personal use. Thirteen of those 15 allow personal use after work hours, 12 allow it on weekends and holidays and seven while the employee is on vacation. Ten fleets have no limit on the amount of personal mileage a driver can put on a car; three do. This results in an average monthly personal mileage total of approximately 755 miles, or an estimated 21.3 percent of the companies' total fleet mileage.

Twelve of 15 fleets charge their drivers for personal use of a company car. Nine fleets charge a mileage fee of approximately 22.2 cents a mile; no fleets charge a flat rate every period, and two use a combination of both methods. Ten fleets said they did not increase the charges for personal mileage over last year's fees; three did.

When collecting personal use mileage charges, six fleets do so through salary deductions, none use expense reports and five collected via "other" methods.

Only four fleets allow personal use of company cars by an employee's spouse. Two fleets allow employee's children to use company cars and one allows "others" to use the cars. Thirteen fleets have no minimum age requirement to use the company cars; three do.

None of the 17 respondents charge employees for an accident if the accident occurs while the employee is using the car for personal reasons. However, six fleets charge the employee with an accident if someone else was driving the car at the time the accident occurred; seven fleets do not.

Car Assignment

The most important factor in determining who gets a company car, according to results, was the employee's job title; 13 fleets said they base their decision on this criterion. Eight fleets assign cars according to the employee's total mileage driven on the job. The average yearly mileage in this case was 12,000. Five fleets gave "other" reasons for assigning cars and three said the cars were assigned as part of the employee's fringe benefit plan.

If an employee's company-assigned car is inoperable, 17 fleets will allow him/her to use their personal car, 14 fleets will set up a car pool system, 12 rent a car and five use the districts manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, 14 fleets pay for mileage only. The average payment per mile was 23.1 cents. Two fleets pay a fixed amount plus a mileage fee. None pay just a fixed amount, use the Runzheimer Schedule or a graduated scale.

When reimbursing an employee for business use of a personal car because his/her company car was inoperable, 15 fleets pay for mileage only. The

(Continued on page 12)

Personal Use Survey — Part II

(Continued from page 10)

average payment was 20.5 cents a mile. No other method of payment was cited in this case.

If an employee loses eligibility for a company car because of a transfer or reassignment, four fleets reimburse him/her in some manner; 14 fleets do not.

Fourteen fleets said they have not been audited by the IRS in the previous two years, but one has been. That one company said during the audit, that its personal use policies were investigated.

Government Fleets

Personal Use Policies

Thirty government fleets in charge of 39,595 vehicles (39,568 U.S. company-owned, 25 U.S. leased and 2 U.S. employee-owned) responded to the survey.

Sixteen fleets said they allow employees to use a company car for personal use; thirteen fleets say this is prohibited. Regarding when those employees can use the company cars for personal use, 11 fleets permit it after work hours, seven fleets permit personal use on weekends and holidays and two fleets while the employee is on vacation. Conversely, 11 fleets do not permit personal use after work hours, 13 do not permit it on weekends or holidays and 17 do not allow personal use on vacations.

One-third of the responding fleets (10) have limits on the amount of personal mileage a driver can put on a company car, whereas 11 fleets do not have these limits. The result of this is approximately 2,060 personal miles driven by every driver in this category every year. Respondents estimate this amount to be an average of 7.2 percent of their total yearly fleet mileage.

The same number of fleets (11) charge drivers for personal mileage put on a company car as those who do not. The most used method of charging drivers was a flat rate every week or month; nine fleets noted they used this method. One fleet charged an average of 21 cents a mile and one used a combination of both methods. Eleven fleets said no increase in charges for personal mileage was necessary from last year's prices; seven fleets raised their charges.

"The same number of government fleets (11) charge drivers for personal mileage put on a company car as those who do not.... Eleven fleets said no increase in charges for personal mileage was necessary from last year's prices; seven fleets raised their charges."

The most used method for collecting personal mileage charges was via salary deductions where seven fleets cited this method as their preference. No fleets said they used expense reports and three used "other" collection methods.

Of the 18 fleets that responded, one allowed personal use of a company car by the spouse of the employee. No fleets allow the children or "others" to use company cars for personal reasons. Fourteen fleets noted they did not have minimum age requirements to drive company cars while six did.

Five fleets charge a driver for an accident if the accident occurred during personal use of a company car. Two of these fleets charge the driver the full amount of the accident damage and one charges the insurance policy deductible amount. None charge a fixed share or a certain dollar amount of the accident; two fleets charge "other" rates.

Car Assignment

In responding government fleets, the most significant reason to delegate a company car to an employee is the person's job title; 18 fleets use this criterion. Fourteen fleets determine car assignment by the average yearly total mileage the person drives. In this case, the average mileage was 7,957. Nine fleets assign a company car as part of the employee's fringe benefit plan and eight cite "other" reasons for car assignment.

(Continued on page 14)

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Personal Use Survey — Part II

(Continued from page 12)

When an employee's company-assigned car is inoperable, 23 fleets set up a car pool system. Twenty-one fleets allow the employee to use his/her personally-owned vehicle; eight rent a car for the employee and five allow the employee to use the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personally-owned car, 20 fleets pay for mileage only with the average payment being 21.5 cents a mile. Four fleets pay a fixed amount plus a mileage fee. The average mileage payment in this case was 20.7 cents a mile and the average total monthly payout for these fleets was $212.50. No fleets responded that they used a flat rate every month, the Runzheimer Schedule or a graduated scale of payment.

When reimbursing an employee who used a personally-owned car because his/her company-assigned car was inoperable, 19 fleets pay for mileage only. The average payment per mile was 21 cents. One fleet pays a fixed amount plus mileage.

"Thirty-nine Canadian fleets allow their employees personal use of company cars after work hours and on weekends and holidays. Thirty-eight allow the employee to use the company car for personal use while on vacation."

When answering, "Does your company compensate employees who, because of transfer or reassignment, are no longer eligible for a company car?" all 25 respondents said "No."

Twenty-five fleets also said they had not been audited by the IRS within the previous two years. One fleet had been audited and the procedure included investigation into its personal use policies.

Canadian Fleets

Personal Use Policies

Forty-one Canadian fleets responsible for 19,340 vehicles (10,075 Canadian company-leased, 8,266 Canadian company-owned and 999 Canadian employee-owned) responded to the survey.

Thirty-nine fleets allow their employees personal use of company cars after work hours and on weekends and holidays. Thirty-eight allow the employee to use the company car for personal use while on vacation. A majority of fleets (33) have no limit on the amount of personal miles a driver can put on a car. The average yearly personal mileage driven by each employee was 6,968 miles. This total, the respondents estimated, was considered 21 percent of the total yearly fleet mileage.

Twenty-five fleets charge their employees for personal use of company cars. The most cited method of charging was a flat rate every week or month. Or, fleets charge a mileage-driven rate with the average payout being nine cents a mile. Three-quarters of responding fleets (27) did not increase the rates they charged drivers for personal use of company cars over last year's prices; nine fleets did so.

Twice as many fleets use salary deductions, as opposed to expense reports, to collect the charges for personal mileage driven. Fifteen fleets use salary deductions; seven use expense reports. Three fleets collect using "other" methods.

Thirty-seven fleets allow personal use of a company vehicle by the spouse of an employee. Thirty allow personal use by the children of employees and ten allow it by "others." Twenty-five of 39 fleets have no minimum age requirement to drive the company car for personal use.

If an employee has an accident while using the car for personal reasons, 24 of 40 responding Canadian fleets charge the operator for the accident. Nineteen fleets charge the insurance policy deductible amount, six charge a dollar amount based on the cost of the accident and two charge a fixed share of the total damage. Twenty-three fleets also charge the employee for an accident if another person is operating the car at the time the accident occurred; 14 fleets do not do this.

Car Assignment

The most influential factor in determining who gets a company car in Canadian fleets is the employee's job title, according to results. Thirty-one fleets use this criterion. Seventeen fleets base this decision on the mileage driven by the employee. The average mileage driven by those who got cars was 10,775. Sixteen fleets assign cars as part of the employee's fringe benefit plan and three gave "other" reasons.

When an employee's company-assigned car is inoperable, 32 fleets rent a car for the employee, 25 allow the employee to use his/her personally-owned vehicle, 12 set up a car pool system and five allow the employee to use the district manager's car.

(Continued on page 16)

SUMMARY OF SURVEY RESPONSES

Industry Group	Number of Fleets	Company Owned Cars	Company Leased Cars	Employee Owned Cars	Totals
Canadian	41	8,266	10,075	999	19,340
Government	30	39,568	25	2	39,595
Public Utilities	20	8,566	2,265	3,700	14,531
Totals	91	56,400	12,365	4,701	73,466

Personal Use Survey — Part II

(Continued from page 14)

Reimbursement Policies

When reimbursing an employee who used his/her personally-owned car for business, 26 fleets pay for mileage only. The average payout for these fleets was 27.5 cents a mile. Six fleets pay a fixed amount plus mileage every period. The average costs for these fleets was 15.6 cents a mile and a weekly payout per employee of $48. Two fleets pay a fixed amount every period and two use the Runzheimer Schedule of payment. None use a graduated scale of payment.

When reimbursing an employee who used a personally-owned car because his/her business car was inoperable, 27 fleets pay for mileage only with the average payment being 24.1 cents a mile. One fleet pays a fixed amount every period. None pay a fixed amount plus mileage.

If an employee loses his/her eligibility for a company car because of a transfer or reassignment, 20 Canadian fleets responded they compensate that employee in some fashion; 14 fleets do not.

One Canadian fleet was audited by the Internal Revenue Service while 35 claimed they were not. The one audit included investigation into the company's personal use policies. ■

PERSONAL USE SURVEY SUMMARY

	Canadian (41)		Government (30)		Public Utilities (20)	
	Yes	No	Yes	No	Yes	No
Personal Use Permitted						
After Work	39	1	11	11	13	2
Weekends and Holidays	39	1	7	13	12	3
Vacations	38	1	2	17	7	7
Limits on Personal Use	5	33	10	11	3	10
Charge For Personal Use	25	11	11	11	12	3
Mileage Charge	9	1	1	1	9	0
Flat Rate	14	1	9	0	0	0
Both or Other	0	1	1	0	2	0
Charge Collected By						
Expense Report	7	0	0	0	0	1
Salary Deduction	15	0	7	0	6	0
Both or Other	3	0	3	0	5	0
Use Permitted By						
Employee & Spouse	37	0	18	0	16	0
Employee & Children	30	0	0	0	2	0
Employee & Others	10	0	0	0	1	0
Minimum Age Limits	14	25	6	14	3	13
Repair Costs Paid By						
Employee	24	16	5	17	0	17
Full Amount	0	–	2	–	0	–
Fixed Share	2	–	0	–	0	–
Dollar Amount	6	–	0	–	0	–
Insurance Deductible	19	–	1	–	0	–
Accident Charged	23	14	7	8	6	7
Increase Charge in 1985	9	26	7	11	3	10
Alternate Transportation						
Employee's Car	25	4	21	2	17	1
Rental Car	32	0	8	9	12	2
District Manager's Car	5	10	5	10	5	3
Car Pool	12	10	23	0	14	0
IRS Audit	1	35	1	25	1	14

Note: – denotes no fleets responded to this question.

More Than Update at

Three decades have passed since air bags were first introduced to the auto industry. Controversy over their effectiveness exists as much today as it did then. In this special nine page section on air bags, NAFA features highlights of a recent Washington conference on air bags, provides a brief history of the safety restraint, reports on what the manufacturers are doing about air bags and compares air bag myths versus air bag facts.

More than 200 fleet administrators and risk managers met recently in Washington, D.C. to learn more about air bags and how this "new" technology can work to control bottom-line cost of both lives and dollars.

The Insurance Institute for Highway Safety (IIHS), the National Safety Council (NSC) and the National Governor's Highway Safety Representatives joined forces to present a one-day seminar, "Protect Company Car Drivers."

Brian O'Neill, IIHS president, said the time has come to seriously consider buying cars with automatic restraints to better protect employees.

"For the first time," O'Neill said, "a number of car manufacturers are beginning to put air bags and other automatic protection in their new cars. Next year, every manufacturer will be offering automatic crash protection — air bags or automatic belts — on some of their models."

O'Neill noted that auto crashes are the leading cause of death in the United States for people aged one to 35 and account for approximately half of all deaths of 16-to-22 year-olds.

"More than 20,000 motor vehicle deaths each year involve front-seat occupants of passenger vehicles. The U.S. Department of Transportation has projected that there will be almost 25,000 such deaths, 370,000 moderate to critical injuries and almost three million minor injuries by 1990 if restraint use does not change," O'Neill said.

Experts agree the most significant way to reduce the death toll is through the use of air bags. Air bags are not just an expensive alternative to seat belts; they offer more protection, especially for the face and head, in high speed crashes than do seat belts. "The combined use of seat belts with air bags is the most effective restraint system yet developed," commented O'Neill.

"Air bags prevent many of the debilitation and costly injuries that seat belts don't necessarily stop," O'Neill continued. "That's why air bags are worth the extra cost."

Seat Belts

Alan Williams, research vice president for IIHS, noted that when seat belts are used, they can lower an occupant's risk of death by 40 or 50 percent. However, when use is voluntary, only 10 to 15 percent of drivers use them.

"Even if high use levels are achieved through mandatory use laws, enforcement programs at work and other methods," Williams said, "it is not a sufficient solution. In low to moderate

200 Hear Air Bag Washington Seminar

speed crashes, up to about 25 miles per hour head-on, lap shoulder belts are particularly effective. But in crashes at higher speeds, even belted occupants can and often do hit steering columns, windshields and dashboards — especially with their faces and heads. Air bags can prevent such injuries to belted occupants."

How They Work

The importance of air bags has been proven over the years in studies showing about 55 percent of all deaths and major injuries involve frontal and front-angle crashes — the kind in which air bags work best.

Completely out of the way and out of sight until they are deployed in crashes, air bag systems are designed to keep occupants from hitting the steering wheel, instrument panel, windshield or windshield frame.

In a front or front-angle crash with an impact of 12 miles per hour or more (the speed above which almost all injuries occur), crash sensors trigger an inflator. The inflator then allows nitrogen gas — which is 78 percent of the air we breathe — to fill the fabric pillow and cushion the occupants. The air cushion diffuses the potentially harmful forces of the human collision by serving as a pillow between the occupant and the vehicle's interior.

The violence of virtually all crashes is over in one-eighth of a second or less. Peak inflation of air bags occurs in less than one-twenty-fifth of a second — faster than the blink of an eye.

As stated, the air cushion works during the second "collision." In a frontal crash, the crashing vehicle is stopped abruptly but the unrestrained occupant continues to move forward at the same speed the vehicle was traveling just before impact. The second, or human, collision — the one in which people are injured or killed — occurs when the moving occupants slam into the vehicle's interior or are thrown from the vehicle altogether.

Air bags are designed to remain inflated long enough to protect occupants in multiple collisions. That is, in a crash in which an air bag-equipped vehicle hits another vehicle or fixed object, bounces off, and is involved in a second or third impact, the cushions are designed to protect front-seat occupants throughout the crash sequence.

Cost Factors

While air bags now are not inexpensive, as more cars are installed with them and demand

Continued on page 20

"Air bags are not just an expensive alternative to seat belts; they offer more protection, especially for the face and head, in high speed crashes than do seat belts."

Air Bags Update

(Continued from page 19)

increases, their price is sure to drop. Also, the present cost of an air bag system is roughly equal to the cost of a one-day stay in the hospital as a result of car crash injuries. One serious injury can cost as much as an entire fleet of air bag-equipped cars. A single serious brain or spinal cord injury to an employee in a company car can cost $1 million or more.

In 1984, motor vehicle crashes cost Americans $47.6 billion in damages. Accidents on the job cost $32 billion. Thirty-seven percent of corporate safety problems are auto-related, according to the NSC.

Hidden Costs

"It is important to remember," said New Jersey Republican Senator Frank Lautenberg at the conference, "and more difficult to calculate, the loss of productivity from those injured or killed in motor vehicle accidents and the cost of replacing them, either temporarily or permanently. The average direct cost for an employee killed in a car accident is $120,000. The indirect costs of simply replacing an employee have been calculated by the National Highway Traffic Safety Administration (NHTSA) to be seven or eight times greater than the direct costs."

Some of those indirect or hidden costs include:

1. Supervisor's time diverted in accident investigation and reporting, rescheduling and making special arrangements to cover the absences of an injured employee.

2. Overtime pay incurred to cover the work of a missing employee.

3. Temporary replacements hired to make up the work of the injured employee. Added to this is the fact that the temporary worker may not match up to the special knowledge, skill or personal contacts of the injured worker.

4. Retraining that might be necessary when the injured employee returns to work.

5. Loss of productivity when the injured worker returns until he/she gets back to normal levels of work.

6. Hiring of a permanent replacement if worker is permanently disabled or killed. Recruiting and training costs are also incurred here.

7. Administrative costs of documenting injuries, arranging for medical treatment and meeting the requirements of state workers' compensation laws.

Lautenberg continued, "If your company's costs attributable to motor vehicle accidents are high and the technology to cut those costs is available and reliable, then I think it is just plain good business to explore the fleet purchase of passive restraints. By doing so, you not only can cut costs, but you might just save the life of an employee who would prove very difficult and expensive to replace.

"Corporate fleet purchase would have a profound effect on

Annual Incremental Reduction in Occupant Deaths for Lap/Shoulder Belts Alone and Air Bags Plus Lap/Shoulder Belts

Belt Usage	Lap/Shoulder Belt	Lap/Shoulder Belt Plus Air Bag	Difference
20 percent	870	7,250	6,380
40	3,220	8,310	5,090
60	4,580	8,850	4,270
70	6,720	9,910	3,190

Based on DOT estimates of front seat fatalities in 1990 and the effectiveness of occupant restraint systems.

the market ... Fleet buyers constitute 18 percent of the new car market. What you put in your cars will have a lot to do with what goes into cars sold to the general public."

Timothy Wirth, chairman of the Subcommittee on Telecommunications, Consumer Protection and Finance, added, "Buying safety will also be good public relations for your company because it is the height of corporate responsibility — to protect employees by saving lives and preventing injuries."

Wirth recognized the fact that it is not always easy to recommend that your company spend more money for automobiles, but, he said, fleet managers should emphasize the fact that vehicles are corporate investments. Such investments, Wirth said (just as training programs, health and exercise programs and fringe benefits) are investments that cost a little extra in the short run but pay high dividends over the long run.

(Continued on page 59)

"The most difficult problem facing air bags is a lack of positive promotion. There has been little or no selling job done to educate the American public on the need for this technology."

What the Attendees Said...

A sampling of reactions from attendees at the "Protect Company Car Drivers" seminar indicates that the presentations were well-received and informative. However, not everyone was in agreement with the thrust of the seminar.

For example, Beverly Boyd, corporate fleet manager, McCormick & Company, Inc., Hunt Valley, Maryland, said she "didn't feel the stress on using air bags in combination with seat belts was strong enough." She adds, "If the air bags got down to an option that was not too expensive, I would consider them but even then, bags without seat belts are useless; the driver would be thrown around too much inside the car."

George Maheu agrees. Maheu, fleet administrator, Thomas J. Lipton, Inc., Englewood Cliffs, New Jersey, commented: "The seminar was well-presented and the information was good, but I'm not convinced that air bags are the answer. We need mandatory seat-belt laws, because unless the bags are used with seat belts, they are not that effective."

An attendee from a New Jersey insurance company had a different response. When asked whether he thought the current costs of air bags was prohibitive, he noted, "You can't look at costs with blindfolds on; if you do, you're not looking at the benefit. It boggles the mind that an $800 item can reduce all the other costs (hospital, loss of productivity, workers' comp, and so forth) and save lives or injuries. We currently have 100 Ford vehicles with air bags on order for this year."

Still another attendee, Rick Wetzel, corporate fleet manager at Alexander & Alexander, Baltimore, Maryland, feels that legislation is needed to overcome the cost factor for most companies. He notes, "A legislative mandate for air bags would not only produce the desired result of increased driver safety. An important by-product would be the drastically lower prices which result from mass production."

Sy Berg, fleet administrator, Empire Blue Cross & Blue Shield, New York, New York, thought the Washington seminar was "very good" and was interested to learn that with new technology some air bags do not deploy above eye level on impact. Berg stated that "when air bags are available and factory installed as an affordable item in a regular line of cars, I will certainly want them for our fleet."

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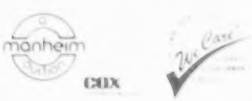


LAKELAND AUTO AUCTION

Interstate 4 and Route 33
Lakeland, Florida 33802
Auction Telephone: 813 984-1551
Gale Lewis, *Gen. Mgr.*
Pick Up and Delivery: 500 Miles
Complete Reconditioning Facilities
Wednesday 11:00 A.M.

PENSACOLA AUTO AUCTION

401 W. Burgess Road
Pensacola, Florida 32503
Auction Telephone: 904 477-3063
DeWayne L. Musick
Pat Marter
Unlimited Pick Up and Delivery
Reconditioning Facilities: Complete
Thursday 11:30 A.M.

STATESVILLE AUTO AUCTION

P.O. Box 749
Statesville, NC 28677
Auction Telephone: 704 876-1111
Larry Hedrick
Terry Blevins
Complete Services
Unlimited Pick Up and Reconditioning
Friday 10:00 A.M.

WEST PALM BEACH
AUTO AUCTION INC.

Fair Grounds (US 98
(Southern Blvd.)
West Palm Beach, Florida 33405
Auction Telephone: 305 793-3044
Dan Beasley
A.J. Holman, *Fit. Mgr.*
Pick Up and Delivery
Full Reconditioning Available

A Subsidiary of
Anglo American Auto Auctions Inc.

SOUTHWESTERN STATES

ARK-LA-TEX
AUTO AUCTION, INC.

7666 Highway 80 I-20 W.
Shreveport, Louisiana 71119
Auction Telephone: 318 938-7903
Ed Blakey or **C. Langford**
Pick Up and Delivery
(300 Mile Radius)
Reconditioning
Tuesday 12:30 P.M.

BIG "H" AUTO AUCTION

701 North Shepherd
Houston, Texas 77007
Auction Telephone: 713 869-0164
713 869-6485
Tom Enochs, *General Manager*
Pick Up and Delivery: Unlimited
Reconditioning Facilities: Complete
Tuesday 11:00 A.M.

DALLAS AUTO AUCTION INC.

4226 East Main
Grand Prairie, Texas 75050
Auction Telephone: 214 264-2344
Barry Roop
Pick Up and Delivery
Complete Reconditioning and Clean Up
Wednesday 10:30 A.M.

A Subsidiary of
Anglo American Auto Auctions Inc.

Additional listings on page 60

Air Bags Update

(Continued from page 21)

Promotion Problems

According to Charles Gilchrist, president of the National Safety Council, the most difficult problem facing air bags is a lack of positive promotion. "There has been little or no 'selling job' done to educate the American public on the need for this technology," he added.

Speaking to all fleet managers in the industry, Gilchrist said: "We need help — your help. And we are hopeful that the positive results that can be demonstrated in fleet programs will spill over to the general public."

John Schaefer, assistant director of engineering at The Travelers Insurance company, spoke of his company-wide safety policies, which include the use of air bags. "Although the road to developing an all air bag-equipped fleet has not been entirely smooth for us, we have found the benefits have overshadowed any concerns.

"A few employees initially were uncertain about air bags. Some were afraid that the air bag might deploy inadvertently. Those concerns, however, were quickly dispelled when they heard about the first accident in which an employee's life was saved by an air bag. We soon had calls from other employees asking when **they** were getting air bag-equipped cars.

"We have had three accidents with the air bag-equipped cars... we look at those accidents as living proof that air bags do save lives." ■

A6755-1

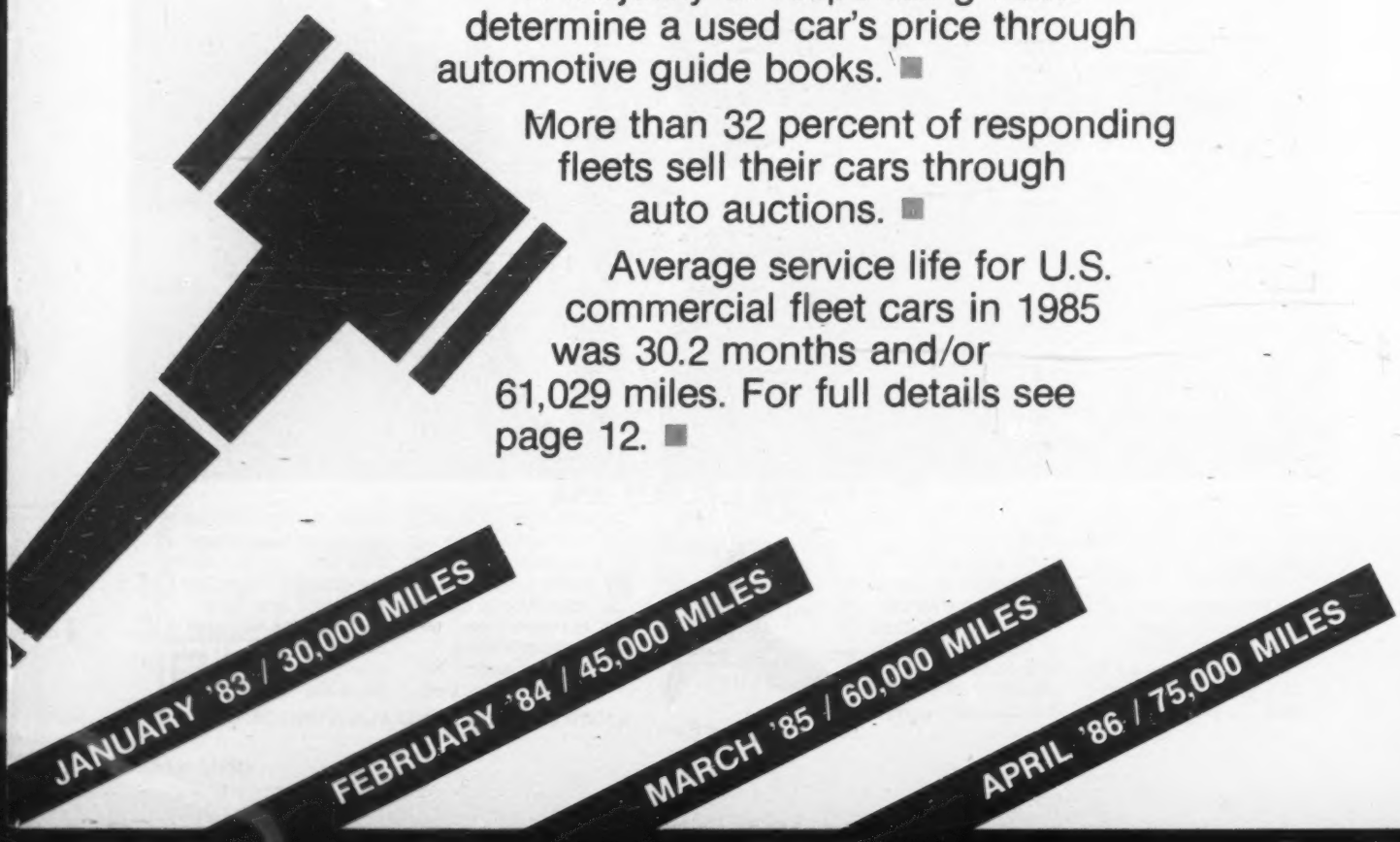
NAFA
Bulletin
The Magazine for Fleet Administrators
May 1986

NAFA'S USED CAR MARKETING SURVEY

A majority of responding fleets determine a used car's price through automotive guide books. ■

More than 32 percent of responding fleets sell their cars through auto auctions. ■

Average service life for U.S. commercial fleet cars in 1985 was 30.2 months and/or 61,029 miles. For full details see page 12. ■



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NAFA Bulletin

The Magazine for Fleet Administrators
May 1986

Cover design by: Cindi Samol

FEATURES

5 **DaSilva, Bergman, Alacchi and O'Connor: NAFA's Special Consultants**
Behind NAFA, there are several good consultants who make your organization work better for you so that it can serve you as well as you'd like. Here we give you a short history of our consultants and exactly what they do.

12 **1985 Used Car Marketing Survey Shows Average Life Is 30.2 Months/61,029 Miles**
A total of 323 fleets, responsible for 292,035 vehicles, responded to NAFA's survey regarding how long fleets keep their cars, how they sell their vehicles and how they price used cars. The survey is broken down into four major groups: U.S. Commercial Fleets, Canadian Fleets, Government Fleets and Public Utility Fleets. U.S. Commercial Fleets are further broken down into seven separate industry categories. This article summarizes all the responses and presents the data in easy-to-read industry sections.

25 **How To Develop An Effective Fleet Safety Program**
At a recent meeting of NAFA's Ontario Chapter, fleet managers tackled the dual task of designing a fleet safety program and then persuading management to adopt it. The case study they examined is reprinted here followed by solutions to questions developed by a team assigned to each of the various problems.

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NAFA Exclusive

1985 Used Average Service

A total of 323 fleets, responsible for 292,035 vehicles, responded to NAFA's 1985 Used Car Marketing Survey. To provide an easily understood method of deciphering replacement cycle policies and used car marketing methods of these respondents, we have broken them down into four basic categories: U.S. commercial fleets, government fleets, public utility fleets and Canadian fleets. Further, the U.S. commercial fleets section is broken down into chemical and petroleum, consumer manufacturing, drug and cosmetic, food and beverage, industrial manufacturing, insurance and miscellaneous fleets.

U.S. Commercial Fleets — Summary

This survey had 221 U.S. commercial fleets, responsible for 187,952 vehicles (65,749 company-owned, 108,462 leased and 13,741 employee-owned) respond. Their cars were in service for an average of 30.2 months and driven an average of 61,029 miles before replacement.

These fleets marketed an average of 30 percent of their cars in 1985. Almost four percent (3.7) of these cars were 1981 models or older; 26.4 percent were 1982 models; 38.57 percent were 1983 models; 15.29 percent were 1984 models, and 2.7 percent were 1985 models, or one-year-old cars.

Thirty-two percent of the group's cars were sold at auto auctions; 29 percent to the employee; 28 percent to wholesalers; 7.5 percent were traded to new car dealers, and 3.5 percent traded to used car dealers.

Fleet managers are responsible for the sale of used cars in 56 percent (124) of the U.S. commercial fleets. Leasing companies dispose of 31 percent (69 fleets) of the cars; a fleet management service slightly less than six percent (5.8 percent or 12 fleets); the company's field office four percent (nine fleets), and the vehicle operator disposes of the vehicle 3.2 percent of the time (seven fleets).

When U.S. commercial fleets sell their cars to their employees, price is determined most often (42.2 percent) by use of the Automotive Market Report (AMR). Fifteen percent base the price on the NADA Wholesale prices; 9.9 percent go with the wholesale value; six percent responded that they use "book value;" six percent use the market value; 5.5 percent use the Black Book value; 5.5 percent use the leasing company amount; 5.5 percent use "other" values; 1.7 percent use the Blue Book value; 1.1 percent sell the car for the amount still owed on it; 1.1 percent sell the car for the highest bid it receives and .5 percent sell it for the amount at which it is appraised.

Final decision on which of the above pricing systems to use to sell a company car to U.S. commercial fleet employees rests mainly with the fleet manager. Eighty-two percent (181) of the fleets let the manager make the decision; 8.4 percent (29) let the leasing company decide; another 8.4 percent allow "others" to decide, and .6 percent allow the car dealer to decide.

Seventy-four percent (163) of these fleets do not plan any changes in the time or mileage schedules they have for disposing of their vehicles; 26 percent (58) do. These specific changes are discussed separately under each industry group. A vast majority of these fleets, 85 percent, do not recondition cars and most (96 percent) sell cars "as is." It is important to note that percents do not always equal 100. Not all survey respondents answered every question.

Insurance Company Fleets

The Insurance Group consists of fifty-one insurance company fleets, responsible for 36,363 vehicles (26,745 company-owned, 9,515 leased and 103 employee-owned). In 1985, these fleets sold 12,180 vehicles, or 41 percent of the vehicles in service at the beginning of the year.

Car Marketing Survey Shows Life Is 30.2 Months/61,029 Miles

Twenty-nine percent of the cars sold were 1983 models; 22 percent were 1982 models; 15 percent were 1984 models; five percent were 1985 models, and three percent were 1981 models or older.

Marketing Methods

When marketing their used cars, 27 percent of these fleets sold their cars to the employee; 25 percent sold to auto auctions; 18 percent to wholesalers; 17 percent traded the car to a new car dealer, and five percent sold cars to used car dealers.

Average age for cars marketed was 29.9 months. On average, most cars were driven 57,960 miles.

For responding insurance company fleets, 41 said the responsibility of marketing the used cars was the fleet manager's. Nineteen fleets said this responsibility is left to the leasing company; six use a fleet management service; two have the field office do the work, and one lets the vehicle operator market the car.

Price Determination

If cars are sold to the employee, price is determined by the Automotive Market Report (AMR) in 20 responding fleets. Seven fleets use NADA prices; four "other" prices; three use their book value; three the Black Book price; three the wholesale price; two the leasing company price, and one the market value price.

Fleet managers determine what pricing system will be used when selling cars to employees in 33 of these fleets. Four fleets said they let the leasing company decide what system to use.

When asked if their company reconditions cars, 39 fleets said 'No' and 12 'Yes.' Forty-seven fleets sell cars "as is" while three do not.

Replacement Cycles

The most frequent 1985 replacement cycle for these fleets was 36 months/60,000 miles (11 fleets). Other cycles noted were 36 months/55,000 miles (6 fleets); 48 months/50,000 miles (4 fleets); 36 months/50,000 miles (2 fleets), and 12 months/25,000 miles, 36 months/48,000 miles, 24 months/45,000 miles, 24 months/70,000, 27 months/55,000 miles, 30 months/60,000 miles, 36 months/65,000 miles, 48 months/35,000 miles, 48 months/47,000 miles, 48 months/65,000 miles, 48 months/70,000 miles, 48 months/100,000 miles, and 50 months/65,000 miles (all one fleet each).

Thirty-five fleets said they were not changing their replacement cycles in 1986. Nine fleets said they were changing their replacement cycles this year and gave various answers as to what those new cycles might be. Five fleets might go to 36 months/50,000 miles; three might increase service life from 36 months/50,000 miles to 48 months/65,000 miles. Fleets shortening service life would like to go from 60 months/70,000 miles to 30 months/55,000 miles; 36 months/60,000 miles to 24 months/50,000 miles; 36 months/60,000 miles to 27 months/50,000 miles, and 36 months/55,000 miles to 27 months/40,000 miles. Three fleets will keep the same monthly cycle but will change their mileage from 60,000 to 50,000. One fleet is changing their mileage from 60,000 to 55,000 and one from 55,000 to 50,000 miles.

Of those fleets changing replacement cycles in 1987, three said the new cycles would be 36 months/55,000 miles; three said 36 months/60,000 miles, and two said 24 months/50,000 miles.

Industrial Manufacturing Fleets

Forty-four industrial manufacturing fleets, responsible for 66,852 vehicles (51,076 leased, 11,209 employee-owned and 4,567 company-owned) responded to the survey. These fleets sold 15,420 vehicles, 23 percent, from their fleets in 1985.

(Continued on page 14)

Used Car Marketing Results

(Continued from page 13)

Forty percent of the cars sold were 1982 models; 35 percent were 1983 models; 12 percent were 1984 models; five percent were 1981 models or older, and one percent were 1985 models.

Marketing Methods

When marketing their used cars, these fleets used auto auctions 34 percent of the time; sold the cars to the employee 30 percent of the time; sold to wholesalers 22 percent of the time; to used car dealers four percent and traded the car to a new car dealer two percent.

Average age for the marketed cars was 29.2 months. They had traveled an average of 61,146 miles.

The responsibility of marketing used cars lies with fleet managers in 38 percent of responding fleets. Leasing companies get this responsibility in 25 percent of these fleets; field offices five percent; vehicle operators three percent, and a fleet management service two percent.

Price Determination

If cars are sold to employees, the selling price is determined by the Automotive Market Report (AMR) in 16 percent of responding industrial manufacturing fleets. Six percent sell at the market value; six percent use the NADA price; three percent use the leasing company amount; three percent use "other" prices; two percent use the Black Book price; two percent use their book value of the car; two percent use the wholesale value of the car, and one percent use the Blue Book value.

Fleet managers determine which of the above pricing systems will be used in 33 responding fleets. Four fleets leave this decision up to the leasing company and one lets "others" decide.

A vast majority, 38 of 42 fleets, do not recondition their cars before marketing them. All 42 sell cars "as is" at times.

Replacement Cycles

Most frequent replacement cycle for 1985 industrial manufacturing fleets was 36 months/60,000 miles (nine fleets). Next was 36 months/55,000 miles (seven fleets). Also mentioned were: 24 months/50,000 miles (three fleets); 37 months/50,000 miles (two fleets); 48 months/60,000 miles (two fleets); 24 months/55,000 miles, 24 months/60,000 miles, 30 months/55,000 miles, 36 months/65,000 miles, 36 months/70,000 miles, 40 months/60,000 miles, and 48 months/70,000 miles (all one fleet each).

Thirty-five fleets said they were not going to change their replacement cycles in 1986. Those who were changing cycles listed several options they might take. Two fleets are going from 36 months/60,000 miles to 30 months/70,000 miles. One is going from 20 months/55,000 miles to 30 months/75,000 miles; one is going from 24 months/50,000 miles to 36 months/60,000 miles. One fleet will use 24 months/50,000 miles; one will use 24 months/60,000 miles; another, 36 months/70,000 miles; one 48 months/70,000 miles. Still other fleets are changing just the mileage cycles. Two fleets will decrease their mileage rate from 70,000 to 60,000. One fleet will go to 55,000 from 60,000; one from 50,000 to 55,000, and one from 60,000 to 45,000.

The most frequently cited replacement cycle on tap for 1987 is both 36 months/55,000 miles and 36 months/60,000 miles — five different fleets gave these as their projected numbers. Two fleets said they would use 24 months/50,000 miles; two said 36 months/50,000 miles; one said 24 months/55,000 miles; one 36 months/435,000 miles; one 36 months/65,000 miles; one 36 months/70,000 miles; one 36 months/75,000 miles, and one 37 months/50,000 miles.

- **In 1985, U.S. Commercial fleets kept their cars in service an average of 30.2 months and drove them an average of 61,029 miles before replacement. In 1984, those figures were 30.2 months and 57,732 miles.**
- **Government fleets keep their cars the longest. Their average service life is 63.9 months and/or 91,679 miles.**
- **U.S. Commercial fleets composed of mostly leased cars keep them for a shorter period of time and drive them less miles than U.S. Commercial fleets composed of mostly company-owned cars. Average replacement cycles for Commercial companies with mostly leased fleets were 30.1 months and/or 41,117 miles. For mostly company-owned Commercial fleets, those figures were 53.3 months and/or 76,063 miles.**

Chemical and Petroleum Company Fleets

Twenty-three Chemical and Petroleum company fleets, responsible for 12,966 vehicles (7,973 company-owned, 4,878 leased and 115 employee-owned) responded to the survey. These fleets sold 3,282 vehicles in 1985 — 25 percent of their total fleets in service at the beginning of the year.

Almost half (43 percent) of the cars sold in 1985 were 1982 model cars or older. Twenty-four percent were 1984 models; 14 percent were 1983 models; 14 percent were 1981 models or older, and no 1985 models were sold.

Marketing Methods

Forty-five percent of the cars were sold to wholesalers. Fifteen percent were sold to the employees; 14 percent were consigned to auto auctions; six percent were sold to used car dealers, and four percent were traded for new cars.

The average age of cars sold in this category was 36 months. They had traveled an average of 67,239 miles.

(Continued on page 16)

Used Car Marketing Results

(Continued from page 14)

Fleet managers have the responsibility of selling cars in 18 responding fleets. Seven respondents said the responsibility goes to the leasing company; three said a fleet management service handles the selling of used cars, and one said the vehicle operator sells the car that he/she drove.

Price Determination

When cars are sold to employees, the price is determined through use of the NADA price list in five fleets. Four fleets use the Automotive Market Report (AMR); three use the wholesale value; one uses the Black Book price; one uses the leasing company value, and one uses "other" methods to determine price.

In eight of the responding fleets, fleet managers determine what pricing system noted above will be used. "Others" determine this in four fleets, and one company lets the leasing company decide what pricing system to use.

Twenty of 21 fleets do not recondition cars before they sell them. All 21 sell cars "as is" at times.

Replacement Cycles

The most often cited replacement cycle for chemical and petroleum company fleets was 36 months/60,000 miles (five fleets). Two fleets use each of the following: 36 months/40,000 miles; 36 months/55,000 miles; 48 months/100,000 miles; 36 months only, and 100,000 miles only. One fleet uses each of these: 36 months/100,000 miles; 36 months/49,000 miles; 60 months/100,000 miles; 60 months/65,000 miles; 60 months/80,000 miles, and 90,000 miles only.

Sixteen fleets said they do not plan to change their replacement cycles in 1986. Those who do plan to do so, however, gave several options they wish to take. One fleet will go from 36 months/60,000 miles to 24 months/55,000 miles; one from 36 months/40,000 miles to 60 months/70,000 miles; one from 36 months/45,000 miles to 60 months/75,000 miles; one from 48 months/100,000 miles to 36 months/50,000 miles, and one from 60 months/80,000 miles to 36 months/60,000 miles. Other fleets will go to 30 months/55,000 miles; 36 months/50,000 miles; 36 months/90,000 miles, 60 months/75,000 miles.

For 1987, four fleets will use 36 months/60,000 miles as their new replacement cycle. Three will opt for 36 months/55,000 miles; two 60 months/75,000 miles; two 100,000 miles only; one 90,000 miles only; one 26 months only; one 36 months/40,000 miles; one 36 months/49,000 miles; one 36 months/50,000 miles; one 60 months/65,000 miles, and one 60 months/100,000 miles.

Average Months and Miles In Service

	Average Months	Average Miles
Drugs and Cosmetics	26.6	56,687
Consumer and Manufacturing	26.8	57,529
Food and Beverage	28.5	62,623
Industrial Manufacturing	29.2	61,146
Insurance	29.9	57,960
Miscellaneous	34.6	64,019
Chemical and Petroleum	36.0	67,239
Canadian	32.2	78,460
Government	63.9	91,679
Public Utility	66.1	78,550

Food & Beverage Company Fleets

Twenty-three food and beverage company fleets, responsible for 12,433 vehicles (7,120 leased, 4,644 company-owned and 669 employee-owned) responded to the survey. In 1985, these fleets sold 4,472 vehicles, or 35 percent of their aggregate fleet in service at the beginning of the year.

Forty-two percent of the cars sold were 1983 models; 19 percent were 1982 models; 18 percent were 1984 models and 11 percent were 1985 models. None were 1981 models or older.

Marketing Methods

When marketing their used cars, fleet managers in this group consigned 46 percent of the cars to auto auctions. Sixteen percent traded the vehicle in to a new car dealer; 13 percent sold to employees; 11 percent sold to wholesalers, and one percent to used car dealers.

The average age of the cars sold was 28.5 months. They had traveled an average of 62,623 miles.

For responding fleets, 17 said fleet managers have the responsibility of marketing the used car. Ten percent gave this job to the leasing company; two percent used a fleet management service; one percent let the vehicle operator sell his/her own car, and one percent had the field office sell the cars.

Price Determination

When these cars are sold to employees, ten fleets base the price on the Automotive Market Report prices. Four sell the car at wholesale value; one uses the Blue Book price; one the value of the car on their books; one the leasing company value; one the NADA price, and one the market value.

Fleet managers were the only one cited for deciding which of the above pricing systems to use; 14 fleets have them do the work. Leasing companies, dealers, or other persons were not given as the one to determine which pricing system to use.

When asked if their company reconditions vehicles before marketing, 20 said they did not; three did. Also, 21 fleets will sell a car "as is" while one will not.

Replacement Cycles

The most frequently noted replacement cycle for these fleets was 36 months/60,000 miles. Also given were 24 months/60,000 miles (two fleets); 36 months/55,000 miles (two fleets); 48 months/45,000 miles (two fleets); 36 months/75,000 miles (two fleets); 24 months/50,000 miles, 27 months/60,000 miles, 36 months/45,000 miles, 36 months/50,000 miles, 36 months/65,000 miles, 36 months/85,000 miles, 36 months/70,000 miles, 48 months/80,000 miles, 70,000 miles only, and 44.5 months only (all one fleet each).

Fifteen fleets said they did not plan to change their replacement cycles this year. Those who did, gave several options they wish to pursue: from 36 months/55,000 miles to 24 months/48,000 miles; from 40 months/78,000 miles to 36 months/60,000 miles; from 48 months/80,000 miles to 36 months only, and from 60 months/125,000 miles to 72 months/175,000 miles. Other cycles mentioned for 1986 were 24 months/45,000 miles; 24 months/48,000 miles; 36 months/80,000 miles; 36 months/60,000 miles, and 36 months only.

For 1987 vehicle replacement, three fleets said they would use 24 months/48,000 miles. Two said 24 months/48,000 miles; two 36 months/60,000 miles; two 48 months/45,000 miles; one 24 months/45,000 miles, 27 months/60,000 miles, 36 months/55,000 miles, 36 months only, and 44.5 months only.

Consumer Manufacturing Company Fleets

Eighteen consumer manufacturing company fleets, responsible for 13,173 vehicles (7,426 leased, 5,747 company-owned, and zero employee-owned) responded to the survey. These fleets sold 4,276 vehicles, or 32 percent of the beginning-year fleet, in 1985.

Forty-five percent of the cars sold were 1983 models. Nineteen percent were 1982 model cars; 12 percent were 1984 models and one percent were 1981 models or older.

Marketing Methods

These fleets consigned 41 percent of their cars to auto auctions and sold 27 percent to their employees. Twenty-one percent were sold to wholesalers, seven percent were traded to new car dealers, and one percent were sold to used car dealers.

The average age of these cars was 26.8 months. They traveled an average of 57,529 miles before being sold.

In fifteen of these fleets, the fleet manager has the responsibility of marketing the used cars. Twelve fleets said they leave that up to the leasing company; one hires a fleet management service; one lets the vehicle operator market his/her own car, and one gives the selling job to the field office.

Price Determination

When selling a car to an employee, twelve fleets determine the price through the use of the Automotive Market Report. Two use the book value they have for the vehicle; one sells it at the wholesale price; one sells it for the amount still owed on it, and one uses NADA figures.

Fleets managers also determine which of the above pricing systems will be used in 11 of the responding fleets. Two fleets use "other" people or methods to determine what pricing system to use and one goes with the market price at all times.

Fifteen fleets do not recondition their cars before selling them; three do. Also, 16 fleets sell cars "as is" while only one does not.

Replacement Cycles

The most often cited replacement cycle for these fleets in 1985 was 36 months/55,000 miles (four fleets). Two fleets used 24 months/55,000 miles and 36 months/65,000 miles. Fleets also reported using 25 months/55,000 miles; 27 months/55,000 miles; 32 months/65,000 miles; 36 months/60,000 miles; 40 months/60,000 miles; 48 months/65,000 miles; 24 months only; 36 months only, and 55,000 miles only.

Fifteen fleets said they are not going to change their replacement cycle from 1985 to 1986; three fleets said they will. Those fleets said they will change from 32 months/65,000 miles to 25 months/55,000 miles; from 55,000 miles to 50,000 miles, and from 65,000 miles to 55,000 miles.

Looking ahead to 1987, three fleets said they will change their replacement cycles to 36 months/

(Continued on page 18)

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CADILLAC SETS THE STANDARD FOR THE WORLD... BAYER SETS THE STANDARD FOR CADILLAC

Used Car Marketing Results

(Continued from page 17)

55,000 miles. Fleets also gave other cycles to which they will change in the upcoming year: 24 months only; 36 months only; 55,000 miles only; 24 months/50,000 miles; 24 months/55,000 miles; 27 months/55,000 miles, and 36 months/50,000 miles.

Drug and Cosmetic Company Fleets

Sixteen drug and cosmetic company fleets, responsible for 18,187 vehicles (15,035 leased, 1,918 company-owned and 1,234 employee-owned), responded to the survey. In 1985, these fleets sold 6,684 vehicles, or 36 percent of their fleets at the beginning of the year.

Of those cars sold, 59 percent were 1983 models; 17 percent were 1984 models; 16 percent were 1982 models; two percent were 1985 models, and none were 1981 models or older.

Marketing Methods

When marketing their used cars, these fleets sold 41 percent to wholesalers, 31 percent to the employees, 18 percent were consigned to auto auctions and one percent were sold to used car dealers. None were traded to new car dealers.

The average age of the cars sold in this category was 26.6 months. They had traveled an average of 56,687 miles before being sold.

The responsibility of selling fleet cars rested equally with the fleet manager and the leasing company; 14 fleets responded that those two were the major sellers of their cars. Two fleets use a fleet management service to market their cars and one lets the vehicle operator sell his/her own car.

Price Determination

When selling their cars to employees, seven fleets set the price at the Automotive Market Report level. Two fleets sell the car at the book value for which they are carrying it; two use "other" price systems; one fleet uses the Blue Book price; one the wholesale value, and one sells the car for the amount they still owe on it.

The responsibility of determining which of the above pricing systems to use rests with fleet managers in six of the responding fleets. Three fleets said "others" have that job and one fleet allows the leasing company to determine what system to use.

Fifteen of the drug and cosmetic company fleets do not recondition their cars before selling them; one does. Also, thirteen fleets will sell a car "as is" while two will not.

Replacement Cycles

The most often cited replacement cycle for these fleets in 1985 was 36 months/55,000 miles (six fleets). Other cycles were 36 months/60,000 miles (four fleets); 24 months/50,000 miles, 24 months/55,000 miles, 24 months/60,000 miles, 24 months/79,000 miles, 36 months/50,000 miles, and 36 months/65,000 miles (all one fleet each).

Twelve fleets said they were not going to change their replacement cycles from 1985 to 1986. Four fleets will change cycles and they gave seven possibilities to which they will change this year: from 24 months/60,000 miles to 36 months/80,000 miles; from 65,000 to 55,000 miles; from 55,000 to 40,000 miles; to 36 months/55,000 miles; to 80,000 miles, and to 40,000 miles. (The latter three did not give the figures from which they were changing.)

Of those fleets changing replacement cycles in 1987, three cycles were each noted by three fleets as their choice for replacement: 36 months/50,000 miles, 36 months/55,000 miles, and 36 months/60,000 miles. Also noted were 24 months/50,000 miles and 24 months/60,000 miles.

Miscellaneous Company Fleets

Forty-six miscellaneous fleets (those that do not fit into any other category) such as communications, banking and finance, and cooperatives, responsible for 27,978 vehicles (14,155 company-owned, 13,412 leased and 411 employee-owned) responded to the survey. These fleets sold 4,867, or 17 percent, of their fleets in service at the beginning of 1985.

Of those cars sold, 46 percent were 1983 models; 26 percent were 1982 models; nine percent were 1984 models; three percent were 1981 models or older, and no 1985 models were sold.

Marketing Methods

When marketing their used cars, these fleets sold 40 percent of their vehicles to their employees. Twenty-six percent were consigned to auto auctions; 19 percent were sold to wholesalers; four percent to used car dealers, and one percent were traded in to new car dealers.

Average age of cars sold in this category was 34.6 months. Those cars had traveled an average of 64,019 miles before being sold.

(Continued on page 20)

U.S. Commercial Fleets Summary

Total Cars In Survey	
All U.S. Commercial Fleets (221)	187,952
Mostly leased U.S. Commercial Fleets (101)	110,645
Mostly company-owned U.S. Commercial Fleets (120)	77,307
Average Months In Service	
All U.S. Commercial Fleets (221)	30.2
Mostly leased U.S. Commercial Fleets (101)	27.8
Mostly company-owned U.S. Commercial Fleets (120)	33.5
Average Miles When Sold	
All U.S. Commercial Fleets (221)	61,029
Mostly leased U.S. Commercial Fleets (101)	59,496
Mostly company-owned U.S. Commercial Fleets (120)	63,073

Used Car Marketing Results

(Continued from page 18)

For responding fleets, 40 said the responsibility of marketing used cars was that of the fleet managers. Thirteen said this job belongs to the leasing company; four let the field office handle it; three hire a fleet management service and three let the vehicle operator sell his/her own car.

Price Determination

When fleet cars are sold to employees in this category, eight fleets determine the selling price through use of the Automotive Market Report. Seven fleets use the NADA price list; four sell the car at wholesale value; three use the Black Book price; three use "other" price systems; two let the leasing company determine price; two take the highest bid for the car; one sells the car at the value for which they have it on their books and one sells the car for the value at which they get it appraised.

The responsibility of determining which of the above pricing systems to use belongs to the fleet manager in 18 fleets. Three fleets said this job goes to the leasing company; three also said "other" people decide which price system to use, and one lets the dealer decide.

When asked if they recondition cars before selling them, 36 fleets said they do not; nine do. Also, 44 fleets sell cars "as is" while two do not.

Replacement Cycles

The most frequently cited replacement cycle for 1985 was 36 months/55,000 miles. Other cycles mentioned were: 36 months/60,000 miles (four fleets); 48 months/50,000 miles (three fleets); 48 months/75,000 miles (three fleets); 24 months/55,000 miles (two fleets); 24 months/52,000 miles, 24 months/70,000 miles, 28 months/55,000 miles, 30 months/50,000 miles, 30 months/60,000 miles, 36 months/100,000 miles, 36 months/75,000 miles, 36 months/80,000 miles, 38 months/50,000 miles, 40 months/80,000 miles, 48 months/100,000 miles, 60 months/100,000 miles, 60 months/70,000 miles, 60 months/90,000 miles, 24 months only, 36 months only, 50 months only, 50,000 miles only, 55,000 miles only, 70,000 miles only, 80,000 miles, 85,000 miles only, and 100,000 miles only (all one fleet each).

Twenty-nine fleets said they do not plan on changing replacement cycles this year. Fifteen fleets noted they might do so and gave various cycles to which they might change: from 12 months/55,000 miles to 18 months/30,000 miles; from 24 months/55,000 miles to 35 months/80,000 miles; from 27 months/70,000 miles to 24 months/50,000 miles; from 36 months/60,000 miles to 48 months/70,000 miles; from 36 months/80,000 miles to 48 months/75,000 miles; from 40 months/80,000 miles to 36 months/65,000 miles; from 48 months/50,000 miles to 48 months/40,000 miles; from 48 months/70,000 miles to 36 months/60,000 miles; from 48 months/75,000 miles to 42 months/65,000 miles; from 60 months/100,000 miles to 36 months/65,000 miles; from 55,000 miles only to 24 months/55,000 miles; from 55,000 to 62,500 miles only; from 60,000 to 90,000 miles only; from 70,000 to 58,000 miles only; to 62,500 miles only; to 18 months/30,000 miles; to 24 months/50,000 miles; to 27 months/50,000 miles; to 30 months/50,000 miles; to 36 months/40,000 miles; to 36 months/50,000 miles; to 36 months/65,000 miles; to 36 months/85,000 miles; to 42 months/65,000 miles, and to 48 months/90,000 miles. (Those that do not have figures from which they are changing did not give present replacement cycles but did give cycles to which they might change.)

Fleets changing replacement cycles in 1987 gave 36 months/60,000 miles as the most probable cycle they will use. Other cycles noted for use in 1987 are: 24 months/50,000 miles; 36 months/55,000 miles; 30 months/50,000 miles; 36 months/40,000 miles; 36 months/50,000 miles; 50,000 miles only; 80,000 miles only; 18 months/30,000 miles; 24 months/70,000 miles; 30 months/60,000 miles; 36 months only; 36 months/54,000 miles; 36 months/65,000 miles; 48 months/50,000 miles; 48 months/75,000 miles; 48 months/90,000 miles; 50 months only; 60 months/100,000 miles, and 60 months/90,000 miles.

Composite Commercial Fleet

(Based on Average Commercial Fleet Responses)

Fleet Size	850
Cars Sold In 1985	232
Model Year of Cars Sold	
1981 or older	9
1982	60
1983	90
1984	35
1985	7
Unspecified	31
Marketing Methods	
Consigned to Auto Auction	68
Sold To Employee	65
Sold To Wholesalers	16
Traded To New Car Dealers	8
Sold To Used Car Dealers	55
Unspecified	20

NOTE: This composite date should be used with great care. These figures are compiled for year-to-year comparison only, and do not represent the used car marketing practices of any fleet.

Government Fleets

Forty-four U.S. government fleets, responsible for 61,022 vehicles (60,788 company-owned, 232 leased and two employee-owned) responded to the survey. These fleets sold 9,867 vehicles, 16 percent, from the total cars in service at the beginning of 1985.

Sixty-one percent of the cars sold were 1981 models or older. Twenty-two percent were 1982 models; 14 percent were 1983 models, and none were 1984 or 1985 models.

(Continued on page 22)

Used Car Marketing Results

(Continued from page 20)

Marketing Methods

When marketing their used cars, 79 percent of these fleets consigned the vehicles to auto auctions. Three percent traded the vehicle to a new car dealer and one percent sold them to used car dealers. None of the survey respondents said they sell cars to their employees.

Average age for cars marketed in this category was 63.9 months. The cars sold were driven an average 91,679 miles.

Thirty-six fleets said the responsibility of marketing used cars lies with the fleet manager. Five fleets use a fleet management service to do this work and four said the field office handles this responsibility.

Twenty-six government fleets said they do not recondition cars before they sell them while 18 fleets do. Also, 40 of these fleets sell cars "as is" while four do not.

Replacement Cycles

The most often cited 1985 replacement cycle for these fleets was 60 months/75,000 miles (four fleets). Other cycles were 90,000 miles only (three fleets); 96 months/100,000 miles (two fleets); 72 months/100,000 miles (two fleets); 72 months/60,000 miles (two fleets); 66 months/175,000 miles (two fleets); 60 months/100,000 miles (two fleets); 24 months/60,000 miles; 24 months/70,000 miles; 24 months/85,000 miles; 36 months/60,000 miles; 48 months/70,000 miles; 60 months/50,000 miles; 60 months/60,000 miles; 60 months/70,000 miles; 75 months/100,000 miles; 108 months/77,500 miles; 120 months/60,000 miles; 120 months/100,000 miles; 18 months only; 60 months only; 75,000 miles only; 100,000 miles only; 115,000 miles only, and 150,000 miles only (all one fleet each).

Thirty government fleets said they do not plan on changing their replacement cycles from 1985 to 1986; fourteen fleets said they will. Those changes include going from 60 months/100,000 miles to 48 months/70,000 miles; from 72 months/60,000 miles to 36 months/48,000 miles; from 75 months/112,000 miles to 60 months/100,000 miles; from 96 months/100,000 miles to 72 months/75,000 miles; from 99 months/100,000 miles to 72 months/75,000 miles; from 60 months to 48 months; from 42 months to 24 months; from 24 months to 36 months; to 84 months/70,000 miles, and to 36 months/60,000 miles. (The latter two did not give present cycles.)

Looking ahead to 1987, four fleets said they will change their replacement cycle to 60 months/75,000 miles. Two will go to 72 months/60,000 miles; two to 66 months/175,000 miles; two to 48 months/70,000 miles,and two to 36 months/60,000 miles. Also noted for 1987 were: 120 months/60,000 miles; 108 months/77,500 miles; 96 months/100,000 miles; 84 months/70,000 miles; 60 months/90,000 miles; 60 months/70,000 miles; 60 months/60,000 miles; 60 months/50,000 miles; 50 months/80,000 miles; 48 months/80,000 miles; 48 months/70,000 miles; 36 months/55,000 miles; 24

NAFA's Used Car Marketing

Group	Cars	Company-Owned	Leased	Employee-Owned	Sold in 1985	Model 1981 or Older
Total U.S. Commercial Fleets (221)	187,952	65,749	108,462	13,741	51,181	2,047
Insurance (51)	36,363	26,745	9,515	103	12,180	365
Industrial Manufacturing (44)	66,852	4,567	51,076	11,209	15,420	771
Chemical and Petroleum (23)	12,966	7,973	4,878	115	3,282	450
Food and Beverage (23)	12,433	4,644	7,120	669	4,472	0
Consumer Manufacturing (18)	13,173	5,747	7,426	0	4,276	43
Drugs and Cosmetics (16)	18,187	1,918	15,035	1,234	6,684	0
Government (44)	61,022	60,788	232	2	9,687	5,909
Canadian (44)	13,783	7,252	6,074	457	3,205	930
Public Utility (14)	29,278	28,326	952	0	3,870	1,200
Miscellaneous (46)	27,978	14,155	13,412	411	4,867	146
Total Respondents (323)	292,035	162,115	115,720	14,200	67,943	9,814

months/85,000 miles; 24 months/70,000 miles; 150,000 miles only; 100,000 miles only; 95,000 miles only; 90,000 miles only; 75,000 miles only; 60 months only, and 36 months only.

Canadian Fleets

Forty-four Canadian fleets, responsible for 13,783 vehicles (7,252 company-owned, 6,074 leased and 457 employee-owned) responded to the survey. These fleets sold 3,205 vehicles, 23 percent, from their beginning operating fleets in 1985.

Thirty-four percent of those cars sold were 1983 models; 29 percent were 1981 models or older; 25 percent were 1982 models; five percent were 1984 models and two percent were 1985 models.

Marketing Methods

Almost half of the cars marketed (44 percent) were consigned to auto auctions. Twenty-nine percent were sold to employees; 22 percent to wholesalers; 12 percent to used car dealers and one percent were traded to new car dealers.

The average age of cars sold was 32.2 months. They had traveled an average of 78,460 miles (115,382 kilometers).

Thirty-four Canadian fleets responded that the fleet manager has the responsibility of marketing the used cars. Twenty-two said the leasing company has that responsibility; three said a fleet management service does the work for them; one lets the field office handle this aspect and one lets the vehicle operator sell his/her own car.

Price Determination

When cars are sold to their employees, price is determined through use of the Black Book in 17 fleets. Six fleets sell the car at book value; four price it at wholesale price; four at market value; three at the leasing company amount; three take the highest bid; one prices it at the appraisal value and one uses "other" pricing systems.

Twenty-three fleets said the responsibility of choosing which of the above pricing systems to use is determined by the fleet manager. Four said this job belongs to "other" people and one said the leasing company determines which to use.

Thirty-three fleets do not recondition cars before selling them; eight do. Forty-one fleets sell cars "as is" while one does not.

Replacement Cycles

The most frequently noted replacement cycle for Canadian fleets was 36 months/100,000 kilometers (six fleets). Other cycles mentioned were: 36 months/90,000 kilometers (three fleets); 24 months/100,000 kilometers (two fleets); 36 months/80,000 kilometers (two fleets); 36 months/88,000 kilometers (two fleets); 48 months/120,000 kilometers (two fleets); 24 months/121,000 kilometers, 24 months/80,000 kilometers, 24 months/80,500 kilometers, 27 months/150,000 kilometers, 27 months/90,000 kilometers, 36 months/110,000 kilometers, 36 months/55,000 kilometers, 36 months/72,000 kilometers, 36 months/85,000 kilometers, 36 months/96,000 kilometers, 48

(Continued on page 24)

Survey Summary Results

				Selling Methods				
1982	1983	1984	1985	Auto Auction	Employee	Trade-In	Used Car Dealer	Wholesale
13,307	19,960	7,677	1,535	15,027	14,162	3,573	1,773	12,118
2,680	3,532	1,827	609	3,045	3,289	2,070	609	2,194
6,168	5,397	1,850	154	5,243	4,626	308	617	3,392
1,411	450	788	0	460	492	131	197	1,477
844	1,878	805	492	2,057	581	716	45	492
812	1,924	513	0	1,753	1,155	299	43	898
1,069	3,944	1,136	134	1,203	2,072	0	67	2,740
2,171	1,381	0	0	7,653	0	291	99	0
801	1,090	160	64	1,410	930	32	389	705
155	77	39	0	3,444	348	0	39	0
1,265	2,239	438	0	4,867	1,947	49	195	925
16,532	21,912	7,556	1,453	27,534	15,440	3,896	2,300	12,823

Used Car Marketing Results

(Continued from page 23)

months/110,000 kilometers, 48 months/116,000 kilometers, 60 months/62,500 kilometers, 84 months/160,000 kilometers, 112,000 kilometers only, 97,000 kilometers only, 77,500 kilometers only, 71,000 kilometers only, and 36 months only (all one fleet each).

Thirty-three fleets said they were not planning on changing their replacement cycles from 1985 to 1986. Eight said they were going to change and gave various options they are considering: from 24 months/100,000 kilometers to 22 months/85,000 kilometers; from 27 months/90,000 kilometers to 30 months/100,000 kilometers; from 36 months/60,000 kilometers to 24 months/80,000 kilometers; from 36 months/85,000 kilometers to 30 months/77,500 kilometers; from 100,000 kilometers only to 80,000 kilometers only; from 95,000 kilometers only to 87,500 kilometers only; to 18 months/97,000 kilometers; to 33 months/80,000 kilometers; to 33 months/115,000 kilometers, and to 80,000 kilometers. (The latter fleets did not give their present cycles.)

Looking ahead to 1987, four Canadian fleets said they will change their replacement cycles to 36 months/90,000 kilometers or 36 months/100,000 kilometers. Also mentioned were 24 months/80,000 kilometers; 36 months/88,000 kilometers; 48 months/120,000 kilometers; 24 months/100,000 kilometers; 24 months/121,000 kilometers; 24 months/80,500 kilometers; 27 months/160,000 kilometers; 33 months/80,000 kilometers; 36 months/110,000 kilometers; 36 months/55,000 kilometers; 36 months/72,000 kilometers; 36 months/80,000 kilometers; 36 months/88,000 kilometers; 36 months/96,000 kilometers; 48 months/100,000 kilometers; 48 months/110,000 kilometers; 48 months/116,000 kilometers; 60 months/80,000 kilometers; 84 months/160,000 kilometers; 77,500 kilometers only, and 36 months only.

Editor's Note:

In the March Bulletin, NAFA reported the results of its 1985 Personal Use Survey. We have since discovered a computer coding error in one portion of the report for the insurance industry. In that one section alone, the service bureau incorrectly tabulated the number of cars owned, leased, and employee-owned. The correct numbers for the insurance industry are:

Total Vehicles:	45,742
Company-Owned:	24,154
Company-Leased:	15,438
Employee-Owned:	6,150

This change also affects the total number of vehicles covered by the survey. The new totals are:

Total Vehicles:	275,933
Company-Owned:	84,554
Company-Leased:	107,127
Employee-Owned:	10,776

Public Utility Fleets

Fourteen public utility company fleets, responsible for 29,278 vehicles (28,326 company-owned, 952 leased, and zero employee-owned) responded to the survey. These fleets sold 3,870 vehicles in 1985, or 13 percent of the total number of vehicles in service at the beginning of the year.

Thirty-one percent of the cars sold were 1981 models or older; four percent were 1982 models; two percent were 1983 models; one percent were 1984 models and no 1985 cars were sold.

Marketing Methods

Most of the cars marketed went to auto auctions; 89 percent of the fleets said they used auctions. Nine percent sold cars to their employees and one percent to used car dealers.

Average age for cars sold in this category was 66.1 months. They also averaged 78,550 miles (115,515 kilometers) before being sold.

Eleven fleets said the responsibility of marketing used cars went to the fleet manager. Two fleets hired a fleet management service and one let the field office handle the job.

Price Determination

When cars are sold to employees in this category, the price is determined by the use of NADA price lists in three fleets. Two fleets accept the highest bid they get; two price it at the market value and one sells the car at wholesale value.

Fleet managers decide which of the above pricing systems will be used in five of the responding fleets. Two fleets said "others" make this decision.

None of the 14 respondents recondition cars before selling them and all 14 sell cars "as is."

Replacement Cycles

The most frequently cited replacement cycles for public utility fleets were 96 months/100,000 miles and 100,000 miles only (two fleets listed each). Other cycles mentioned were: 120 months/75,000 miles; 84 months/80,000 miles; 60 months/90,000 miles; 60 months/70,000 miles; 60 months/60,000 miles; 60 months/50,000 miles; 42 months/55,000 miles; 36 months/80,000 miles; 36 months/60,000 miles; 80,000 miles only; 72 months only, and 60 months only.

Thirteen fleets said they do not plan on changing their replacement cycles from last year while one fleet said they will. That fleet said it will go from 84 months/80,000 miles to 60 months/60,000 miles.

For 1987, the most frequent replacement cycles public utility fleets have on tap are 96 months/100,000 miles, 60 months/60,000 miles and 100,000 miles only. Other cycles given were: 120 months/75,000 miles; 60 months/90,000 miles; 60 months/70,000 miles; 36 months/60,000 miles; 60 months/50,000 miles, and 72 months only. ■

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KEYS TO A SUCCESSFUL FLEET PROGRAM

FIVE ELEMENTS ARE KEY TO MAINTAINING SUCCESSFUL FLEET PROGRAMS says Albertini

OPERATING EXPENSE SURVEY

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MEET NAFA'S OFFICERS

Page 18

FLEET MANAGEMENT has become a very complex and demanding profession. No longer is fleet management the simple task of selecting Chevys, Fords, or Plymouths and operating them until some randomly chosen replacement period is reached. Today's fleet manager must be responsible for reviewing and incorporating a variety of external factors, such as legislative and economic concerns, into the fleet program. He or she must also deal effectively with the maintenance and promotion of the internal corporate climate and structure.

Fleet management today requires insight, planning, control and corporat involvement and support. A succes fleet manager needs to constan address certain areas: the de implementation and modi

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FEATURES

10 **1985 Operating Expense Survey Shows: Net Expenses Decline**
Ninety-four fleets, responsible for more than 100,000 vehicles, responded to NAFA's 1985 survey on fleet operating costs. The results of this survey can help you measure how your fleet is doing compared with average similar fleets. This much-requested data is broken down into car-size categories for easy comparison.

18 **Meet NAFA's Officers and Trustees**
This Who's Who of NAFA leaders let's you learn more about the Officers and Trustees elected to move NAFA into the future. Included here are pictures and biographies of your Association's President, Vice Presidents, Secretary, Treasurer, and Trustees.

24 **Five Elements Are Key to Maintaining A Successful Fleet Program, Says Albertini**
If you are new in the fleet industry, or if you are trying to start a new fleet program in your company, this article is for you. Jerry Albertini, manager, vehicle and travel administration, Simplex, and NAFA's New England Chapter Chairman, details five points he believes are necessary to run a successful fleet program and keep it running.

28 **Organization and Setting Priorities For the New Fleet Manager**
Duane Berger, fleet administrator, Cox Communications Inc., offers this perfect compliment to Jerry Albertini's article. After learning what tools are needed for a successful fleet program by Albertini, Berger will explain how you can organize those tools and more to set your priorities in proper order and run your fleet at its most efficient level possible.

34 **Canadian Fleet Operations**
Many of NAFA's U.S. Members have cars operating in Canada and need to know the differences between Canadian and American laws and regulations. Fred Booth, vice president and general manager, Lend Lease Ltd., explained those differences in his Conference presentation "Canadian Fleet Operations" and they are highlighted here.

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1985 Operating Expense Survey Shows:

Net Expenses Decline

NAFA Exclusive

Ninety-four fleets, responsible for 105,845 vehicles, responded to NAFA's 1985 Operating Expense Survey. The survey polls fleets regarding operating, standing, and incidental expenses incurred from the daily operation of their vehicles.

Survey data is broken down into five categories: compact cars; mid-size cars; large cars; composite statistics, and Canadian fleet expenses.

The results are based on NAFA's Recommended Classification of Automobile Expenses which is:

Operating Expenses: All costs directly related to running a vehicle — fuel, oil, tires and tire repair, and normal maintenance. These costs are computed in cents per mile per car.

Incidental Expenses: Costs of licenses and taxes, accident repairs (minus recoveries), parking and tolls, and washing.

Standing Expenses: Interest paid on company-owned vehicles, leasing service charges, depreciation reserve, insurance, and reconditioning costs. Deducted from this total are any depreciation adjustments that must be made after a vehicle is sold.

Net Expenses: Total of incidental and standing expenses minus any personal use or extra equipment charges.

The survey used the following definitions for vehicle classification:

Compact Car: vehicles with a wheelbase between 100 and 104 inches and a curb weight between 2,200 and 2,599 pounds.

Mid-size Car: vehicles with a wheelbase between 105 and 108 inches and a curb weight between 2,600 and 3,199 pounds.

Large Car: vehicles with a wheelbase greater than 108 inches and a curb weight greater than 3,200 pounds.

Compact Cars

Eight fleets, responsible for 5,196 compact cars, responded to the survey. The respondents had a total of 6,039 vehicles in their fleets.

Seventy-five percent of the cars in this category are leased; 21 percent are company-owned, and four percent are employee-owned. Eighty-three percent of the cars have four-cylinder engines; 16 percent have six-cylinder engines and one percent have eight-cylinder engines.

These cars are driven an average of 2,198 miles a month with 1,868 miles being for business and 330 miles for personal use. They are kept in service an average of 29.25 months or approximately 64,300 miles.

Half of the responding fleets use a 50 month depreciation period for these cars. Two use 36 months; one uses 48 months and one uses 50,000 miles.

Ninety-five percent (4,936) of the compact cars have air conditioning, automatic transmissions, power steering, and power brakes.

Operating Expenses

Average fuel cost per mile per car in this category was 4.75 cents. Oil cost an average of .21 cents per mile per car. Tires and tire repair cost an average of 0.99 cents per mile per car. Maintenance and repair cost an average of 1.49 cents per mile per car. Total operating expenses for compact cars averaged 7.44 cents per mile per car. This is up from last year's 7.08 cents figure.

Incidental Expenses

Licenses and taxes cost an average of $11.97 per car per month. Accident repairs minus recoveries averaged $7.57 per car per month. Washing average $6.91; parking and tolls $5.09, and miscellaneous incidental expenses nine cents. This totals an average monthly incidental expense cost of $31.63 per car.

Standing Expenses

Interest paid on company-owned cars average three cents per car per month. Leasing company service charges averaged $67.75 per car per month; depreciation reserve $180.26; depreciation adjustment $5.53; reconditioning $2.00, and insurance $25.82. This totals an average monthly standing expense of $270.83 per car per month.

Note: This survey provides interesting insights into expenses of other fleets; however, because the number of fleets represented is not great, special care should be used in comparing your own fleet costs to the data reported in this and other surveys.

Net Expenses

With average incidental expenses of $31.63, average standing expenses of $270.83, and average credits of $35.07, the average net expense for each vehicle in the compact car category is $267.39.

Mid-Size Cars

Eighteen fleets, responsible for 9,371 mid-size cars, responded to the survey. The respondents had a total of 21,339 vehicles in their fleets.

Ninety-five percent of the cars in this category are leased; three percent are company-owned, and two percent are employee-owned. Fifty-six percent of these cars have four-cylinder engines; 38 percent have six-cylinder engines, and six percent have eight-cylinder engines.

These cars are driven an average of 2,053 miles a month with 1,740 miles being for business and 313 miles for personal use. They are kept in service an average of 25 months or approximately 50,000 miles.

Five fleets use a 50 month depreciation period for their vehicles. Four use 45 months; three use 44 months; three use 36 months; one uses 40 months, and one uses 24 months.

All of the cars in this category are equipped with air conditioning, automatic transmissions, power steering, and power brakes.

Operating Expenses

Average fuel cost per mile per car in the mid-size car category was 5.65 cents. Oil cost an average of .15 cents per mile per car; tires and tire repair .32 cents, and maintenance and repairs 1.78 cents. Thus, total operating costs for mid-size cars was 7.90 cents per mile per car. This is a decrease from last year's total of 8.37 cents.

Incidental Expenses

Licenses and taxes cost an average of $15.80 per car per month. Accident repairs minus any recoveries averaged $14.08 per car per month; washing $5.88; parking and tolls $15.82, and miscellaneous incidental expenses $4.71. This totals an average monthly incidental cost of $56.29 per car.

Standing Expenses

No companies reported paying interest on company-owned cars. Leasing company service charges averaged $82.62 per car per month. Depreciation reserve $184.62 per car per month; depreciation adjustments $15.31; reconditioning $2.72, and insurance $31.70. Total standing expenses for mid-size cars were, therefore, $286.35.

Net Expenses

With average incidental costs of $56.29, average standing costs of $286.35, and average credits of $36.95, the average net expense for each vehicle in the mid-size car category is $305.69.

(Continued on page 12)

Composite Fleet Statistics Expense Comparison 1983-1985

(Responses from fleets which do not report expenses by car class, but only as a total.)

	1983	1984	1985
OPERATING EXPENSES			
(cents per car per mile)			
Fuel	.0579	.0560	.0656
Oil	.0016	.0012	.0036
Tires & Tire Repair	.0041	.0040	.0048
Repair & Maintenance	.0157	.0151	.0192
Total Operating Expenses	.0793	.0763	.0932
INCIDENTAL EXPENSES			
(dollars per car per month)			
Licenses & Taxes	$ 9.95	$11.62	$16.69
Accident Repairs less Recoveries	8.85	8.74	11.59
Washing	4.12	4.25	5.55
Parking & Tolls	11.06	7.46	19.10
Miscellaneous	2.97	3.25	4.70
Total Incidental Expenses	$36.95	$35.32	$57.63
STANDING EXPENSES			
(dollars per car per month)			
Interest	*	*	$ 20.00
Leasing Service Charge	$ 72.05	$ 60.40	46.25
Depreciation Reserve	153.65	182.95	147.50
Depreciation Adjustment	-12.38	-23.83	-35.00
Reconditioning	5.04	11.46	5.00
Insurance	20.96	19.03	32.03
Total Standing Expenses	$239.32	$250.01	$215.78
CREDITS			
(dollar return per car per month)			
Personal Use	$47.70	$45.42	$44.92
Extra Equipment	*	*	7.07
Total Credits	$47.70	45.42	$51.99
NET EXPENSES			
(Incidental + Standing Expenses — Credits)	$228.77	$239.91	$221.42

*This figure was included in "Leasing Service Charge" these years.

*Figures not given these years.

NAFA's Operating Expense Survey

(Continued from page 11)

Large Cars

Seven fleets, responsible for 904 large cars, responded to the survey. The respondents had a total of 3,818 vehicles in their fleets.

Sixty percent of the cars in this category are company-owned. Thirty-nine percent are leased and one percent are employee-owned. Seventy-one percent have six-cylinder engines; 16 percent have four-cylinder engines, and 13 percent have eight-cylinder engines.

These cars are driven an average of 1,874 miles each month with 1,451 miles being for business and 423 for personal use. They are kept in service an average of 40 months or 67,750 miles.

Four fleets use a 36 month depreciation schedule; two use 50 months, and one uses 60 months.

Ninety-seven percent of the large cars have air conditioning and automatic transmissions and 99 percent have power steering, and power brakes.

Operating Expenses

Average fuel cost per mile per car in this category was 7.42 cents. Oil cost an average of 0.37 cents per mile per car; tires and tire repair 1.01 cents, and maintenance and repair 6.63 cents. Thus, total operating expenses for large cars were 15.43 cents per mile per car.

Incidental Expenses

Licenses and taxes averaged $16.00 per car per month. Accident repairs minus any recoveries averaged $4.16; washing $6.36; parking and tolls $20.75, and miscellaneous incidental expenses $4.00. This totals an average monthly incidental cost of $51.27.

Standing Expenses

No fleets reporting paying any interest on company-owned vehicles. Average leasing company service charge was $121.00 per car per month. Depreciation reserve averaged $231.08; depreciation adjustment $4.00, and insurance $40.00. Thus, total standing expenses averaged $388.08.

Net Expenses

With average incidental expenses of $51.27, average standing expenses of $388.08, and average credits of $185.00 per car per month, the large fleet category has an average net expense of $254.35 per month.

Compact Cars Operating Expense Comparison (Cents Per Mile) 1983-1985

	1983	1984	1985
Fuel	$.0517	$.0528	$.0475
Oil	.0017	.0014	.0021
Tire & Tire Repair	.0035	.0045	.0099
Repair & Maintenance	.0126	.0121	.0149
Total Operating Expenses	$.0695	$.0708	$.0744

Mid-Size Cars Operating Expense Comparison (Cents Per Mile) 1983-1985

	1983	1984	1985
Fuel	$.0616	$.0614	$.0565
Oil	.0016	.0018	.0015
Tires & Tire Repair	.0064	.0043	.0032
Repair & Maintenance	.0169	.0162	.0178
Total Operating Expenses	$.0865	$.0837	$.0790

Composite Statistics

The composite statistic category consists of those respondents who did not give numbers for a certain car class, but rather, gave total fleet expenses.

Thirty-nine fleets, responsible for 51,595 compact, mid-size, and large vehicles, responded to the survey. Forty-nine percent of these cars are leased; 45 percent are company-owned, and six percent are employee-owned.

Fifty-five percent of these cars have four-cylinder engines. Forty percent have six-cylinder engines, and five percent have eight-cylinder engines.

These cars are driven an average of 2,233 miles a month with 1,878 being for business and 355 for personal use. They are kept in service an average of 29 months or 57,000 miles.

Nineteen fleets use a depreciation schedule of 50 months. Fifteen use 36 months; three use 48 months, and two use 60 months.

Ninety-two percent of these cars have air conditioning. Ninety percent have automatic transmissions; 92 percent have power steering, and 93 percent have power brakes.

Operating Expenses

Average fuel cost per mile per car in this category was 6.56 cents. Oil cost an average of 0.36 cents per mile per car; tires and tire repair 0.48

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NAFA's Operating Expense Survey

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cents, and maintenance and repairs 1.92 cents. Thus, total operating expenses were 9.32 cents per mile per car. This is an increase of 1.69 cents over last year's 7.63 cents per mile per car.

Incidental Expenses

Licenses and taxes cost an average of $16.69 per car per month. Accident repairs minus any recoveries averaged $11.59; washing $5.55; parking and tolls $19.10, and miscellaneous incidental expenses $11.40. Total incidental expenses are, therefore, $64.33, an increase of $29.01 from last year. The largest increases were in parking and tolls, which more than doubled from last year's $7.46 figure, and miscellaneous expenses, which more than tripled from its previous $3.25.

Standing Expenses

Interest on company-owned vehicles averaged $20.00 per car per month. Leasing company service charges averaged $46.25; depreciation reserve $117.60; depreciation adjustment $35.00; reconditioning $5.00, and insurance $32.03. This totals an average standing expense of $185.88.

Net Expenses

With average monthly per car incidental expenses of $64.33, average standing expenses of $185.88, and average credits of $51.99, the average net expense of each vehicle in this category is $198.22 per month.

Large Cars Operating Expense Comparison (Cents Per Mile) 1983-1985

	1984	1985
Fuel	$ *	$.0742
Oil	*	.0037
Tires & Tire Repair	*	.0101
Repair & Maintenance	*	.0663
Total Operating Expenses	$.0935	$.1543

*Only total figure given last year — not broken down.

Canadian Fleets Operating Expense Comparison (Canadian Cents Per Kilometer) 1983-1985

	1983	1984	1985
Fuel	$.0979	$.0816	$.0595
Oil	.0026	.0012	.0005
Tires & Tire Repair	.0080	.0044	.0060
Repair & Maintenance	.0221	.0205	.0215
Total Operating Expenses	$.1306	$.1077	$.0875

Canadian Fleets

Twenty-two Canadian fleets, responsible for 29,182 compact, mid-size, and large vehicles, responded to the survey. Forty-nine percent of these cars are company-owned; 27 percent are leased, and 24 percent are employee-owned.

A majority, 84 percent, of Canadian fleet vehicles have four-cylinder engines. Nine percent have six-cylinder engines and seven percent have eight-cylinder engines.

These cars are driven an average of 3,093 kilometers every month; 2,562 kilometers are for business and 531 kilometers for personal use. They are kept in service an average of 33 months or 80,435 kilometers.

Nine fleets use a depreciation schedule of 36 months; six use 50 months; three use 24 months, and two use either 48, 54, or 60 months.

Fifty-six percent of the vehicles in this category are equipped with air conditioning. Sixty-one percent have automatic transmissions, power steering, and power brakes.

(The following expenses are given in *Canadian* dollars and cents.)

Operating Expenses

Average fuel cost per kilometer in this category was 5.95 Canadian cents. Oil cost an average of .05 cents per car per kilometer; tires and tire repair averaged 0.6 cents, and maintenance and repairs 2.15 cents. Thus, total operating expenses for Canadian fleets averaged 8.75 cents per car per kilometer.

Incidental Expenses

Licenses and taxes cost an average of $12.14 per car per month. Accident repairs less recoveries averaged $8.96; washing $3.02; parking and tolls $6.41, and miscellaneous incidental expenses $7.41. Total incidental expenses per car per month are, therefore, $37.94.

Standing Expenses

No fleets reported paying interest on company-owned vehicles. Leasing company service charges averaged $48.24 per car per month. Depreciation reserve averaged $145.35; depreciation adjustment $73.62; reconditioning $1.79, and insurance $25.20. Thus, total standing expenses averaged $146.96 per car per month.

Net Expenses

With average monthly incidental expenses of $37.94, average monthly standing expenses of $146.96, and average monthly credits of $28.82, net expenses per Canadian car per month averaged $156.08. ■

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CHAIRMAN I.B. PICKETT RECEIVES NAFA'S DISTINGUISHED SERVICE AWARD

NAFA'S 1987 New Car Acquisition Survey

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NAFA's New Car Survey:

NAFA's 1987 New Car Acquisition Survey had a record number 432 responses from fleets in the United States and Canada. These fleets are responsible for 362,307 vehicles, of which 194,125 are company-owned, 151,276 are leased and 16,906 are employee-owned.

Almost 50 percent (48.2) of these vehicles are mid-size; 31.1 percent are compact; 15.1 percent are large, and five and one-half percent are sub-compacts.

These numbers make NAFA's New Car Acquisition Survey, by far, the broadest and most comprehensive survey of its kind. A similar survey by another organization garnered only 177 responses — less than half of those represented here.

Respondents said they will purchase at least 93,829 1987 model year vehicles. This year, however, the trend set from 1984 to 1986 where the percent of mid-size cars purchased increased steadily each year, was slowed. In 1984, 35 percent of new cars purchased were expected to be mid-size; in 1985, 54 percent, and last year, 67 percent. This year, 57.8 percent of new car purchases are expected to be mid-size. While mid-size car purchases seem to have slowed, they are by far the largest component of responding fleets. Also, 23.9 percent of new purchases will be compact vehicles; 12 percent large vehicles, and 6.3 percent sub-compacts.

These fleets also said they will purchase 1,350 import vehicles in the upcoming model year. This number is deceptive, however, since one fleet alone plans to buy 379 import vehicles. Last year 1,006 imports were purchased.

Almost 300 fleet managers said they are responsible for purchasing corporate vehicles assigned to company executives. The 297 positive respondents purchased 6,087 executive cars last year. Also, 90 fleet managers purchase approximately 600 vehicles for use in executive car pools and 65 managers purchase almost 800 personally-owned executive vehicles. These numbers are indicative of the ever-increasing responsibilities of today's fleet managers.

An overwhelming majority, 94 percent, of the respondents said lower gasoline prices will not affect their fleet car selection for the 1987 model year. Of those fleets which said gasoline prices would affect their car selection, eight said they would probably change from six cylinder vehicles to four cylinders, but five fleets said they would change from four cylinder to six cylinder vehicles. Others said the money saved from lower gasoline prices would allow them to purchase additional optional equipment on vehicles.

More than 90 percent (93.3) of respondents also said the elimination of the investment tax credit (ITC) would not affect their 1987 fleet car selection. Of those fleets saying ITC elimination would affect car selection, almost all said they would be forced to eliminate some options on their selector lists.

Of fleets which purchased some of their vehicles with fleet incentive programs, 254 said they purchased from 80 to 100 percent of their vehicles with these programs. This compares with 274 fleets who said they purchased from one to 79 percent of their vehicles with fleet incentive programs.

Of 432 possible responses, 232 fleets give vehicle operators their choice of make of vehicle; 164 give them choice of model of vehicle; 155 give them choice of vehicle accessories, and 51 give them choice of engine type.

Number of Imports Purchased

Group	1986	1987
Banking & Credit Agencies/Financial	25	30
Public Utility	250	200
Chemical & Petroleum	5	6
Food & Beverage	48	38
Consumer Manufacturing	84	25
Drugs & Cosmetics	277	310
Government	0	0
Insurance	7	379*
Industrial Manufacturing	15	29
Other/Miscellaneous	295	333
TOTALS	**1,006**	**1,350**

*378 By one fleet

These numbers show that most responding fleet groups will buy approximately the same number of 1987 imports as they did in 1986. However, if the one fleet buying 378 imports were eliminated, the total imports scheduled for purchase in 1987 would be less than those purchased in 1986. As it stands, six groups will buy more imports than last year, three groups will buy less, and one will remain the same. Imports compose 1.4 percent of all 1987 model year purchases.

Charts Tell the Story

Fleets Giving Operator Choice of Items

Group	Make	Model	Engine	Accessories	Color
Banking and Credit	4	3	0	2	9
Public Utility	4	2	1	1	3
Chemical and Petroleum	23	17	6	10	26
Food and Beverage	22	20	6	15	31
Consumer Manufacturing	29	17	6	14	30
Drugs and Cosmetics	30	21	4	26	34
Government	1	2	3	3	4
Insurance	29	18	3	19	51
Industrial Manufacturing	44	32	11	35	57
Other/Miscellaneous	46	32	11	30	58
TOTALS	**232**	**164**	**51**	**155**	**303**

(All totals are out of a possible 432 responses)

New Car Acquisition Summary

		Current Composition									Breakdown			
Group	Number of Cars	Company Owned	Leased	Employee Owned	Sub-Compact	Compact	Mid-Size	Large	1986 New Car Purchases	1987 New Car Purchases	Sub-Compact	Compact	Mid-Size	Large
Banking & Credit Agencies/Financial (11)	2,449	1,498	901	50	15	362	1,709	185	612	659	0	84	491	24
Public Utility (24)	39,145	32,144	5,999	1,002	8,033	24,880	3,594	999	4,104	5,604	2,313	2,440	764	101
Chemical & Petroleum (29)	15,978	7,249	8,600	129	13	504	7,730	2,499	4,182	4,235	25	510	3,008	642
Food & Beverage (34)	25,093	14,152	9,912	1,029	1,011	11,646	10,071	1,431	9,826	9,774	765	3,454	4,529	451
Consumer Manufacturing (42)	36,424	19,361	16,374	689	707	5,020	19,548	1,701	12,864	12,507	2	925	9,456	807
Drugs & Cosmetics (43)	29,611	2,316	27,169	126	233	2,061	23,761	2,357	11,380	12,014	0	431	10,742	846
Government (44)	53,800	62,869	931	0	3,294	10,341	10,825	23,649	9,564	11,194	1,416	2,011	2,136	5,619
Insurance (52)	44,781	20,599	18,214	5,968	372	15,732	13,859	1,431	13,059	12,478	86	5,655	6,185	324
Industrial Manufacturing (68)	39,577	6,922	25,326	7,329	21	10,535	18,478	2,016	9,709	10,953	0	4,232	6,271	451
Other/ Miscellaneous (85)	65,449	27,015	37,850	584	2,216	8,241	28,944	7,180	19,093	16,978	1,336	2,672	10,574	2,041
TOTALS (432)	**362,307**	**194,125**	**151,276**	**16,906**	**15,915**	**89,322**	**138,519**	**43,448**	**94,393**	**96,396**	**5,943**	**22,414**	**54,166**	**11,306**
Percent of Total	100%	54%	42%	4%	6%	31%	48%	15%			6.2%	23.2%	56.2%	11.7%

432 fleets, responsible for 362,307 vehicles, responded to NAFA's 1987 New Car Acquisition Survey. More than half of the vehicles represented in this survey are company-owned, contrary to some current reports that most fleets are leasing their vehicles. Also, almost half of the vehicles represented in this survey are mid-size, which has been the case for the past three years. The number of expected purchases of 1987 model year vehicles has increased from last year, and again, more than half of these vehicles will be mid-size.

EPA's 1987 Estimated Gas Mileage Figures

Here are the EPA mileage rates for all vehicles sold in the United States except California.

MPG Cty	MPG Hwy	Make	Trans-mission	CID	Cyl.
		Sub-Compact Cars			
44	49	Pontiac Firefly	M5	61	3
44	49	Suzuki Forsa	M5	61	3
44	49	Chevy Sprint	M5	61	3
38	40	Pontiac Firefly	A3	61	3
38	40	Suzuki Forsa	A3	61	3
38	40	Chevy Sprint	A3	61	3
38	41	Subaru Justy	M5	73	3
37	43	Honda Civic	M4	82	4
37	41	Isuzu I-Mark	M5	90	4
37	41	Chevy Spectrum	M5	90	4
37	41	Pontiac Sunburst	M5	90	4
36	41	Toyota Tercel	M4	89	4
34	38	Dodge Colt	M4	90	4
34	38	Plymouth Colt	M4	90	4
34	38	Mitsubishi Mirage	M4	90	4
33	39	Isuzu I-Mark	M5	90	4
32	37	Dodge Colt	M5	90	4
32	37	Plymouth Colt	M5	90	4
32	37	Mitsubishi Mirage	M5	90	4
32	40	Nissan Sentra Honeybee	M5	98	4
31	33	Isuzu I-Mark	A3	90	4
31	33	Chevy Spectrum	A3	90	4
31	36	Subaru Hatchback	M4	97	4
31	33	Pontiac Sunburst	A3	90	4
31	38	Toyota Tercel	M5	89	4
30	35	Honda Civic	M5	91	4
29	33	Dodge Colt	L3	90	4
29	33	Plymouth Colt	L3	90	4
29	33	Mitsubishi Mirage	L3	90	4
29	34	Toyota Tercel	L3	89	4
28	35	Renault Alliance Cnv	M5	105	4
28	34	Chevy Chevette CS	M4	98	4
28	33	Toyota Corolla Sport	M5	97	4
28	32	Subaru Hatchback	M5	97	4
28	34	Pontiac 1000	M4	98	4
27	34	Toyota Celica	M5	122	4
27	35	Chevy Chevette CS	M5	98	4
27	32	Honda Civic	L4	91	4
27	33	Toyota Corolla Sport	L4	97	4
27	30	Nissan Sentra Honeybee	L3	98	4
27	35	Pontiac 1000	M5	98	4
26	34	Toyota Celica	L4	122	4
26	32	Toyota Corolla Sport	M5	97	4
26	30	Volkswagen Fox	M4	109	4
26	30	Honda Integra	M5	97	4
26	32	Nissan Pulsar NX	M5	98	4
26	35	Nissan Sentra Coupe	M5	98	4
26	36	Pontiac Sunbird Conv	M5	122	4
25	33	Chevy Cavalier Conv	M4	121	4
25	34	Chevy Cavalier Conv	M5	121	4
25	35	Dodge Charger	M5	135	4
25	30	Chevy Chevette CS	L3	98	4
25	31	Dodge Colt	M5	98	4
25	31	Plymouth Colt	M5	98	4
25	32	Mitsubishi Cordia	M5	122	4
25	29	Toyota Corolla FX16	M5	97	4
25	31	Honda Integra	L4	97	4
25	31	Mitsubishi Mirage	M5	98	4
25	31	Ford Mustang	M5	140	4
25	31	Honda Prelude	M5	119	4
25	31	Honda Prelude	M5	112	4
25	31	Nissan Sentra Coupe	L3	98	4
25	32	Subaru XT	M5	109	4
25	35	Plymouth Turismo	M5	135	4
25	30	Pontiac 1000	L3	98	4
25	30	Audi 4000	M5	109	4
24	31	Chevy Cavalier Conv	L3	121	4
24	26	Dodge Colt	L3	98	4
24	26	Plymouth Colt	L3	98	4
24	26	Mitsubishi Cordia	L3	122	4
24	30	Toyota Corolla FX16	L4	97	4
24	28	Renault GTA Conv	M5	120	4
24	26	Mitsubishi Mirage	L3	98	4
24	30	Honda Prelude	L4	119	4
24	28	Nissan Pulsar NX	L3	98	4
24	29	Volkswagen Scirocco	M5	109	4
24	27	Subaru XT	L3	109	4
24	30	Pontiac Sunbird Conv	L3	122	4
24	26	Mitsubishi Tredia	L3	122	4
24	31	Mitsubishi Tredia	M5	122	4
23	28	Renault Alliance Conv	A3	105	4
23	29	Toyota Celica	L4	122	4
23	29	Toyota Celica	M5	122	4
23	27	Dodge Charger	A3	135	4
23	30	Honda Prelude	L4	112	4
23	30	Nissan Pulsar NX	M5	98	4
23	25	Volkswagen Scirocco	A3	109	4
23	28	Volkswagen Scirocco 16V	M5	109	4
23	25	Subaru Hatchback	L3	109	4
23	28	Subaru XT	M5	109	4
23	27	Subaru XT 4WD	M5	109	4
23	27	Plymouth Turismo	A3	135	4
23	27	Audi 4000	A3	109	4
22	29	Mitsubishi Cordia	M5	110	4
22	27	Dodge Daytona	L3	152	4
22	32	Dodge Daytona	M5	152	4
22	27	Chrysler LeBaron Conv	L3	152	4
22	32	Chrysler LeBaron Conv	M5	152	4
22	24	Subaru XT	L3	109	4
22	24	Subaru XT 4WD	A3	109	4
22	29	Mitsubishi Tredia	M5	110	4
22	28	Nissan 200SX	M5	120	4
21	26	Saab 900 Conv	M5	121	4
21	31	Pontiac Sunbird Conv	M5	121	4
21	27	Nissan 200SX	L4	120	4
21	28	BMW 3-Series	M5	164	6
20	26	Chevy Cavalier Conv	L3	173	6
20	29	Dodge Daytona	M5	135	4
20	29	Dodge Lancer Conv	M5	135	4
20	29	Chrysler Laser/ Daytona	M5	135	4
20	29	Chrysler LeBaron Conv	M5	135	4
20	27	Pontiac Sunbird Conv	L3	121	4
20	27	BMW 3-Series	L4	164	6
19	27	Chevy Camaro	L4	173	6
19	27	Chevy Cavalier Conv	M5	173	6
19	28	Dodge Charger	M5	135	4
19	25	Audi Coupe GT	M5	136	5
19	24	Dodge Daytona	A3	135	4
19	27	Pontiac Firebird/ Trans AM/Formula	L4	173	6
19	24	Dodge Lancer Conv	A3	135	4
19	24	Chrysler Laser/Daytona	A3	135	4
19	24	Chrysler LeBaron Conv	A3	135	4
19	26	Nissan 200 SX	M5	181	6
18	24	Chrysler Conquest	L4	156	4
18	23	Chrysler Conquest	M5	156	4
18	23	Audi Coupe GT	A3	136	5

(Continued on page 32)

EPA Gas Mileage Figures

(Continued from page 30)

MPG Cty	MPG Hwy	Make	Trans-mission	CID	Cyl.
18	24	Alfa Romeo Milano	M5	152	6
18	27	Ford Mustang	L4	302	8
18	21	Saab 900 Conv	A3	121	4
18	24	Mitsubishi Starion	L4	156	4
18	23	Mitsubishi Starion	M5	156	4
18	23	Toyota Supra	L4	180	6
18	23	Toyota Supra	L4	180	6
18	23	Toyota Supra	M5	180	6
18	26	Nissan 200SX	L4	181	6
18	26	Nissan 300 ZX 2+2	L4	181	6
18	26	Nissan 300ZX 2+2	M5	181	6
18	22	Audi 4000CS Quattro	M5	136	5
17	25	Chevy Camaro	L4	305	8
17	24	Chevy Camaro	L4	305	8
17	26	Chevy Camaro	M5	173	6
17	25	Pontiac Firebird/ Trans AM/Formula	L4	305	8
17	24	Pontiac Firebird/ Trans AM/Formula	L4	305	8
17	26	Pontiac Firebird/ Trans AM/Formula	M5	173	6
17	23	Toyota Supra	M5	180	6
16	25	Chevy Camaro	L4	350	8
16	25	Chevy Camaro	M5	305	8
16	25	Pontiac Firebird/ Trans AM/Formula	L4	350	8
16	25	Pontiac Firebird/ Trans AM/Formula	M5	305	8
16	21	BMW 6-Series	L4	209	6
16	22	BMW 6-Series	M5	209	6
		Compact Cars			
37	45	Ford Escort	M5	122	4
37	45	Lincoln/Mercury Lynx	M5	122	4
36	41	Volkswagen Golf	M5	97	4
34	41	Renault Alliance	M4	85	4
33	40	Renault Alliance	M5	85	4
30	37	Toyota Corolla	M5	97	4
29	37	Renault Alliance	M5	105	4
29	37	Chevy Nova	M5	97	4
28	32	Toyota Corolla	L3	97	4
28	35	Toyota Corolla	L4	97	4
28	34	Mazda 323	M5	98	4
28	32	Chevy Nova	L3	97	4
28	35	Nissan Sentra	M5	98	4
27	34	Honda Accord	M5	119	4
27	31	Renault Alliance	A3	85	4
27	34	Toyota Camry	M5	122	4
26	36	Oldsmobile Firenza	M5	122	4
26	34	Volkswagen Golf	M5	109	4
26	30	Renault GTA	M5	120	4
26	31	Volkswagen GTI	M5	109	4
26	34	Volkswagen Jetta	M5	109	4
26	31	Volkswagen Jetta GLI	M5	109	4
26	30	Ford Laser	M4	98	4
26	30	Mazda 323	M4	98	4
26	32	Mazda 626	M5	122	4
26	30	Nissan Sentra	L3	98	4
26	36	Buick Skyhawk	M5	122	4
26	36	Pontiac Sunbird	M5	122	4
25	31	Honda Accord	M5	119	4
25	34	Chevy Beretta	M5	121	4
25	31	Toyota Camry	L4	122	4
25	33	Chevy Cavalier	M4	121	4
25	34	Chevy Cavalier	M5	121	4
25	34	Cadillac Cimarron	M5	121	4
25	34	Chevy Corsica	M5	121	4
25	34	Ford Escort	M5	113	4
25	31	Oldsmobile Firenza	L3	122	4
25	33	Oldsmobile Firenza	M4	121	4
25	34	Plymouth Horizon	M5	135	4
25	30	Ford Laser	A3	98	4
25	34	Lincoln-Mercury Lynx	M5	113	4
25	30	Mazda 323	A3	98	4
25	34	Dodge Omni	M5	135	4
25	33	Dodge Shadow	M5	135	4
25	31	Buick Skyhawk	L3	122	4
25	33	Buick Skyhawk	M4	121	4
25	31	Subaru Sedan 3-Door	M5	109	4
25	31	Pontiac Sunbird	L3	122	4
25	33	Pontiac Sunbird	M4	121	4
25	32	Plymouth Sundance	M5	135	4
25	34	Ford Tempo	M5	140	4
25	34	Lincoln-Mercury Topaz	M5	140	4
24	30	Honda Accord	L4	119	4
24	29	Renault Alliance	A3	105	4
24	30	Chevy Beretta	L3	121	4
24	31	Chevy Cavalier	L3	121	4
24	31	Chevy Corsica	L3	121	4
24	31	Oldsmobile Firenza	L3	121	4
24	27	Volkswagen Jetta GLI	A3	109	4
24	31	Buick Skyhawk	L3	121	4
24	26	Subaru Sedan 3-Door	L3	109	4
24	27	Peugeot 505 Sedan	L4	152	4
23	30	Cadillac Cimarron	L3	121	4
23	27	Volkswagen Golf	A3	109	4
23	28	Volkswagen GTI 16V	M5	109	4
23	27	Plymouth Horizon	A3	135	4
23	27	Volkswagen Jetta	A3	109	4
23	29	Volkswagen Jetta GLI 16V	M5	109	4
23	29	Mazda 626	L4	122	4
23	27	Dodge Omni	A3	135	4
23	27	Dodge Shadow	A3	135	4
23	28	Nissan Stanza	M5	120	4
23	28	Subaru Sedan/3-Door	M5	109	4
23	28	Plymouth Sundance	A3	135	4
22	32	Oldsmobile Calais	L3	151	4
22	33	Oldsmobile Calais	M5	151	4
22	32	Pontiac Grand AM	L3	151	4
22	32	Pontiac Grand AM	M5	151	4
22	28	Mazda 626	M5	122	4
22	32	Buick Somerset/ Skylark	L3	151	4
22	32	Buick Somerset/ Skylark	M5	151	4
22	25	Subaru Sedan/3-Door	A3	109	4
22	25	Subaru Sedan/3-Door 4WD Turb	M5	109	4
22	27	Ford Tempo	A3	140	4
22	30	Ford Tempo	M5	140	4
22	27	Lincoln-Mercury Topaz	A3	140	4
22	30	Lincoln-Mercury Topaz	M5	140	4
22	28	Volvo 240DL/240GL	M5	141	4
21	31	Pontiac Grand AM	M5	121	4
21	26	Saab 900	M5	121	4
21	27	Saab 900	M5	121	4
21	27	Buick Skyhawk	L3	121	4
21	31	Buick Skyhawk	M5	121	4
21	27	Nissan Stanza	L4	120	4
21	23	Subaru Sedan/3-Door 4WD Turb	A3	109	4
21	27	Pontiac Sunbird	L3	121	4
21	31	Pontiac Sunbird	M5	121	4
21	24	Volvo 240DL/240GL	A4	141	4
20	26	Chevy Beretta	L3	173	6
20	26	Chevy Cavalier	L3	173	6
20	26	Cadillac Cimarron	L3	173	6
20	26	Chevy Corsica	L3	173	6
20	26	Oldsmobile Firenza	L3	173	6
20	27	Mitsubishi Galant	L4	143	4
20	27	Mitsubishi Galant	M5	143	4
20	27	Pontiac Grand AM	L3	121	4
20	29	Dodge Shadow	M5	135	4
20	29	Plymouth Sundance	M5	135	4
20	23	Ford Tempo All Wheel Drive	A3	140	4

MPG Cty	MPG Hwy	Make	Trans-mission	CID	Cyl.
20	23	Lincoln-Mercury Topaz All Wheel Drive	A3	140	4
20	24	BMW 5-Series	M5	164	6
20	23	Peugeot 505 Sedan	L4	132	4
20	23	Peugeot 505 Sedan	L4	120	4
19	27	Chevy Beretta	M5	173	6
19	27	Oldsmobile Calais	L3	181	6
19	27	Chevy Cavalier	M5	173	6
19	27	Cadillac Cimarron	M5	173	6
19	27	Chevy Corsica	M5	173	6
19	24	Toyota Cressida	M5	168	6
19	27	Oldsmobile Firenza	M5	173	6
19	27	Pontiac Grand AM	L3	181	6
19	28	Dodge Omni	M5	135	4
19	24	Volkswagen Quantum	M5	136	5
19	21	Saab 900	A3	121	4
19	23	Dodge Shadow	A3	135	4
19	28	Dodge Shadow	M5	135	4
19	27	Buick Somerset/Skylark	L3	181	6
19	23	Plymouth Sundance	A3	135	4
19	28	Plymouth Sundance	M5	135	4
19	22	Peugeot 505 Sedan	L4	131	4
19	24	Peugeot 505 Sedan	M5	131	4
18	27	Lincoln-Mercury Cougar	L4	302	8
18	24	Toyota Cressida	L4	168	6
18	27	Nissan Maxima	L4	181	6
18	24	Nissan Maxima	M5	181	6
18	22	Volkswagen Quantum	A3	136	5
18	23	Ford Thunderbird	L4	302	8
18	22	BMW 5-Series	L4	164	6
18	21	Peugeot 505 Sedan	L4	174	6
18	22	Peugeot 505 Sedan	M5	132	4
18	19	Peugeot 505 Sedan	M5	174	6
16	20	BMW 5-Series	L4	209	6
16	21	BMW 5-Series	M5	209	6
15	19	BMW 7-Series	L4	209	6
15	20	BMW 7-Series	M5	209	6
		Mid-Size Cars			
25	32	Dodge Aries	M5	135	4
25	32	Plymouth Reliant	M5	135	4
24	32	Dodge Lancer	M5	135	4
24	32	Chrysler LeBaron GTS	M5	135	4
23	28	Dodge Aries	A3	135	4
23	26	Plymouth Caravelle	A3	135	4
23	26	Dodge Lancer	A3	135	4
23	26	Chrysler LeBaron	A3	135	4
23	26	Chrysler LeBaron GTS	A3	135	4
23	28	Plymouth Reliant	A3	135	4
23	26	Dodge 600	A3	135	4
23	28	Volvo 740/760	M4	141	4
22	27	Dodge Aries	L3	152	4
22	27	Plymouth Caravelle	L3	152	4
22	32	Chevy Celebrity	L3	151	4
22	32	Buick Century	L3	151	4
22	32	Oldsmobile Cutlass Ciera	L3	151	4
22	27	Dodge Lancer	L3	152	4
22	32	Dodge Lancer	M5	152	4
22	27	Chrysler LeBaron	L3	152	4
22	32	Chrysler LeBaron	M5	152	4
22	27	Chrysler LeBaron GTS	L3	152	4
22	32	Chrysler LeBaron GTS	M5	152	4
22	27	Chrysler New Yorker	L3	152	4
22	27	Plymouth Reliant	L3	152	4
22	27	Dodge 600	L3	152	4
22	32	Pontiac 6000	L3	151	4
22	25	Volvo 740/760	L4	141	4
20	26	Chevy Celebrity	L3	173	6
20	28	Chevy Celebrity	L4	173	6
20	26	Buick Century	L3	173	6
20	26	Buick Century	L4	173	6
20	26	Oldsmobile Cutlass Ciera	L3	173	6
20	28	Oldsmobile Cutlass Ciera	L4	173	6
20	29	Dodge Lancer	M5	135	4
20	29	Chrysler LeBaron	M5	135	4
20	29	Chrysler LeBaron GTS	M5	135	4
20	26	Pontiac 6000	L3	173	6
20	25	Volvo 740/760	M4	141	4
19	24	Plymouth Caravelle	A3	135	4
19	27	Chevy Celebrity	M5	173	6
19	24	Oldsmobile Cutlass Supreme	L3	231	6
19	24	Pontiac Grand Prix	L3	231	6
19	24	Pontiac Grand Prix	L3	262	6
19	26	Pontiac Grand Prix	L4	262	6
19	24	Dodge Lancer	A3	135	4
19	24	Chrysler LeBaron	A3	135	4
19	24	Chrysler LeBaron GTS	A3	135	4
19	24	Chevy Monte Carlo	L3	262	6
19	26	Chevy Monte Carlo	L4	262	6
19	24	Chrysler New Yorker	A3	135	4
19	24	Buick Regal	L3	231	6
19	26	Audi 5000S	M5	136	5
19	24	Dodge 600	A3	135	4
19	27	Pontiac 6000	L4	173	6
19	27	Pontiac 6000	M5	173	6
19	22	Volvo 740/760	A4	141	4
18	25	Oldsmobile Cutlass Supreme	L4	307	8
18	25	Buick Regal	L4	307	8
18	22	Audi 5000CS Turbo	A3	136	5
18	26	Audi 5000CS Turbo	M5	136	5
18	22	Audi 5000S	A3	136	5
17	27	Lincoln-Mercury Continental	L4	302	8
17	23	Oldsmobile Cutlass Supreme	L3	307	8
17	25	Cadillac Eldorado	L4	249	8
17	24	Pontiac Grand Prix	L4	305	8
17	27	Lincoln-Mercury Mark VII	L4	302	8
17	24	Chevy Monte Carlo	L4	305	8
17	23	Buick Regal	L3	307	8
17	25	Buick Regal	L4	231	6

(Continued on page 34)

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EPA Gas Mileage Figures

(Continued from page 33)

MPG Cty	MPG Hwy	Make	Trans-mission	CID	Cyl.
17	25	Cadillac Seville	L4	249	8
17	25	Audi 5000CS Quattro	M5	136	5
16	21	Dodge Diplomat	L3	318	8
16	21	Plymouth Gran Fury	L3	318	8
16	21	Chrysler Newport/ Fifth Avenue	L3	318	8
		Large Cars			
21	28	Saab 9000	M5	121	4
21	26	Saab 9000	M5	121	4
19	26	Saab 9000	A4	121	4
18	25	Cadillac Brougham	L4	307	8
18	23	Chevy Caprice	L3	262	6
18	25	Chevy Caprice	L4	307	8
18	27	Chevy Caprice	L4	262	6
17	25	Cadillac Fleetwood/DeVille	L4	302	8
17	24	Cadillac Limousine	L4	249	8
17	27	Ford LTD Crown Victoria	L4	302	8
17	27	Lincoln-Mercury Town Car	L4	305	8
16	24	Chevy Caprice	L4	305	8
		Small Station Wagons			
30	35	Honda Civic Wgn	M5	91	4
29	31	Toyota Tercel Wgn 2WD	A3	89	4
29	36	Toyota Tercel Wgn 2WD	M5	89	4
28	32	Honda Civic Wgn	L4	91	4
28	33	Mazda 323 Wgn	M5	98	4
28	35	Nissan Sentra Wgn	M5	98	4
27	34	Toyota Camry Wgn	M5	122	4
26	36	Oldsmobile Firenza Cruiser	M5	122	4
26	30	Volkswagen Fox GL Wgn	M4	109	4
26	36	Buick Skyhawk Wgn	M5	122	4
26	36	Pontiac Sunbird Wgn	M5	122	4
26	30	Toyota Tercel Wgn 4WD	M5	89	4
25	31	Toyota Camry Wgn	L4	122	4
25	33	Chevy Cavalier Wgn	M4	121	4
25	34	Chevy Cavalier Wgn	M5	121	4
25	29	Honda Civic Wgn 4WD	M5	91	4
25	31	Oldsmobile Firenza Cruiser	L3	122	4
25	33	Oldsmobile Firenza Cruiser	M4	121	4
25	30	Mazda 323 Wgn	A3	98	4
25	29	Nissan Sentra Wgn	L3	98	4
25	33	Buick Skyhawk Wgn	M4	121	4
25	30	Subaru Wgn	M5	109	4
25	31	Pontiac Sunbird Wgn	L3	122	4
25	33	Pontiac Sunbird Wgn	M4	121	4
24	31	Chevy Cavalier Wgn	L3	121	4
24	29	Dodge Colt Vista	M5	122	4
24	29	Plymouth Colt Vista	M5	122	4
24	31	Oldsmobile Firenza Cruiser	L3	121	4
24	28	Nissan Sentra Wgn 4WD	M5	98	4
24	31	Buick Skyhawk Wgn	L3	121	4
24	30	Buick Skyhawk Wgn	L3	122	4
24	26	Subaru Wgn	L3	109	4
24	25	Toyota Tercel Wgn 4WD	A3	89	4
23	24	Dodge Colt Vista	L3	122	4
23	24	Plymouth Colt Vista	L3	122	4
23	24	Mitsubishi Space Wgn	L3	122	4
23	28	Subaru Wgn	M5	109	4
22	24	Subaru Wgn	A3	109	4
22	25	Subaru Wgn 4WD Turbo	M5	109	4
21	23	Subaru Wgn 4WD Turbo	A3	109	4
19	23	Volkswagen Quantum Wgn	M5	136	5
18	24	Nissan Maxima Wgn	L4	181	6
18	22	Volkswagen Quantum Wgn	A3	136	5
17	21	Volkswagen Quantum Syncro Wgn	M5	136	5

MPG Cty	MPG Hwy	Make	Trans-mission	CID	Cyl.
		Mid-Size Station Wagons			
24	32	Dodge Aries Wgn	M5	135	4
24	32	Plymouth Reliant Wgn	M5	135	4
24	27	Peugeot 505 Station Wgn	L4	152	4
23	26	Dodge Aries Wgn	A3	135	4
23	26	Plymouth Reliant Wgn	A3	135	4
23	27	Mercedes-Benz 300TD	A4	183	6
22	27	Dodge Aries Wgn	L3	152	4
22	32	Chevy Celebrity Wgn	L3	151	4
22	27	Plymouth Reliant Wgn	L3	152	4
22	28	Nissan Stanza Wgn 2WD	M5	120	4
22	27	Chrysler Town & Country Wgn	L3	152	4
22	28	Volvo 240DL/240GL Wgn	M5	141	4
22	29	Volvo 740/760 Wgn	M4	141	4
21	28	Buick Centry Wgn	L3	151	4
21	28	Oldsmobile Cutlass Cruiser	L3	151	4
21	25	Volvo 240DL/240GL Wgn	A4	141	4
21	28	Pontiac 6000 Wgn	L3	151	4
20	25	Nissan Stanza Wgn 2WD	L4	120	4
20	23	Peugeot 505 Station Wgn	L4	120	4
20	26	Volvo 740/760 Wgn	L4	141	4
20	25	Volvo 740/760 Wgn	M4	141	4
19	24	Chevy Celebrity Wgn	L3	173	6
19	27	Chevy Celebrity Wgn	L4	173	6
19	28	Chevy Celebrity Wgn	M5	173	6
19	24	Buick Centry Wgn	L3	173	6
19	27	Buick Centry Wgn	L4	173	6
19	24	Oldsmobile Cutlass Cruiser	L3	173	6
19	27	Oldsmobile Cutlass Cruiser	L4	173	6
19	24	Chrysler Town & Country Wgn	A3	135	4
19	25	Audi 5000S Wgn	M5	136	5
19	22	Peugeot 505 Station Wgn	L4	131	4
19	24	Pontiac 6000 Wgn	L3	173	6
19	27	Pontiac 6000 Wgn	L4	173	6
19	28	Pontiac 6000 Wgn	M5	173	6
19	22	Volvo 740/760 Wgn	A4	141	4
18	24	Toyota Cressida Wgn	L4	168	6
17	25	Audi 5000CS Quattro Wgn	M5	136	5
17	22	Audi 5000S Wgn	A3	136	5
16	24	Oldsmobile Custom Cruiser	L4	307	8
		Large Station Wagons			
17	27	Lincoln-Mercury Grand Marquis Wgn	L4	302	8
17	27	Ford LTD Crown Victoria Wgn	L4	302	8
16	24	Chevy Caprice Wgn	L4	307	8
16	24	Buick LeSabre/ Electra Wgn	L4	307	8
16	24	Pontiac Safari Wgn	L4	307	8
		Small Pick-Up Trucks			
21	27	Chevy S10 Pickup 2WD	L4	151	4
21	27	GMC S15 Pickup 2WD	L4	151	4
21	24	Mitsubishi Truck 2WD	A4	156	4
21	24	Toyota Truck 2WD	M5	144	4
20	26	Dodge RAM50 2WD	M5	156	4
20	26	Mitsubishi Truck 2WD	M5	156	4
20	25	Nissan Truck 2WD	L4	146	4
19	23	Isuzu P/Up-4WD	M5	138	4
18	24	Ford Ranger Pickup 2WD	L4	179	6
18	22	Ford Ranger Pickup 2WD	M5	179	6
18	23	Chevy S10 Pickup 2WD	M4	173	6
18	24	Chevy S10 Pickup 2WD	M5	173	6
18	23	GMC S15 Pickup 2WD	M4	173	6
18	24	GMC S15 Pickup 2WD	M5	173	6
17	22	Ford Ranger Pickup 4WD	L4	179	6
17	19	Chevy S10 Pickup 2WD	L3	173	6
17	24	Chevy S10 Pickup 2WD	L4	173	6
17	19	GMC S15 Pickup 2WD	L3	173	6
17	24	GMC S15 Pickup 2 WD	L4	173	6
17	20	Nissan Truck 2WD	L4	181	6
16	20	Nissan Truck 2WD	M5	181	6